

INSIDE: Picking up the pieces in Mexico

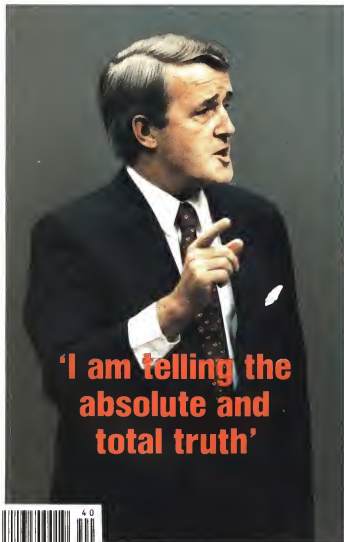
Maclean's

OCTOBER 7, 1985

CANADA'S WEEKLY NEWSMAGAZINE

\$1.75

MULRONEY UNDER FIRE



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total truth'**



John Fraser: resigned on Sept. 23



Marcel Masse: resigned on Sept. 25





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COVER

Mulroney under fire

Rocked by the resignations of two prominent cabinet ministers, John Fraser and Michael Manis, Brian Mulroney's government was faced with the most serious crisis since it took power in September last year. The events raise major questions about the young government's competence and credibility. — Page 10

COVER PHOTO BY GUY LAWRENCE FOR MACLEAN'S
PHOTO OF THE BOTTLES BY MICHAEL KOSLOFF



Mexico measures its losses

Mexicans were encouraged last week by the successful rescue of 100,000 men and women out of the rubble from the earthquake that ravaged their capital. — Page 20



The prince goes to school

Before leaving for the U.S. and Australia, Prince Charles and Diana, Princess of Wales, saw their first-born son, Prince William, off to his first day of school. — Page 34



Planning the dollar's fall

Top bank and economic officials from five major Western nations announced last week that they were going to drive down the value of the U.S. dollar. — Page 38



A religious division

Last week lawyers gathered in Toronto to argue the constitutionality of a provincial bill that would provide full public funding to Roman Catholic high schools. — Page 46

CONTENTS

Scholar	51
Books	60
Business/Economy	38
Canada/Cont.	10
Column	9
Editorial	2
Education	48
Film	62
Furtheringham	64
Letters	4
Medicine	50
Misc.	56
Newman	64
Passages	4
People	54
Style	62
Sports	46
World	20

A history lesson

I cannot help wondering why your article "A historic debate begins" ("Free trade," *Cover*, Sept. 16) chose not to mention Canada's long-standing inner struggle with the free trade question. Surely it is significant that the federal elections of 1981 and 1982 were lost by advocates of what was then called "free-trade" and that the Trudeau-McLaurin years have witnessed a revolutionary reversal of the traditional Liberal "pro" and Conservative "anti" free trade positions. No wonder Brian Mulroney is captured: Wilfred Laurier and John Diefenbaker are awaiting in their graves.

—ROBERT A. WELSH
Grove Landing, Ont.

No barrel of laughs

Your article "The bickering battle over beer" (*Business/Economy*, Sept. 29) left out the most important point. Beer in the United States sells for about \$7 to \$15 per case of 24, depending on sale prices. In Canada there are no sale prices, and beer sells for \$16 to \$24. Is it any wonder beer sales fell off?

ANDREW KEST
Toronto

The real bargain

In the bad old days the poor and heedless used to be able to sell their blood when they needed quick cash. The debate over water exports reveals that devalued practice ("The crisis over water," *Cover*, Aug. 26). Draining a hard bargain over water does not mean, as you say, pumping rivers south for profit. It means improving irrigation practices so that the biggest consumers of water



Mulroney: a long-standing struggle

are at least using it effectively. It means stopping using rivers and lakes as disposal sites. And it probably means paying a lot more for domestic, industrial and agricultural water. That way we will value it for what it is: our planet's lifeblood.

—PENNY LAMON
Ottawa

Glenn Gould's legacy

Having been a lifelong scholar of Glenn Gould, I found myself weeping during the extremely moving documentary recently telecast on the CBC. This follow-up program appears to have been totally misunderstood by John Berenson in his review "The music of loneliness" (*Television*, Sept. 31). One aspect which seems to have bothered Berenson the most is what I found to be the major strength: the choice of particularly apt and poignant selections from Gould's recordings to highlight comments throughout the broadcast. In his life, music and radio documentaries, Gould opened the ability and emphasized the necessity of being able to concentrate on more than one thing at the same time. Perhaps Berenson should try it one day.

—LAURIE MATTHEW DUNN
Windsor

Profligacy begins at home

Your article "A vote for the good life" (*World*, Sept. 16) informs us that Sweden has a "growing national debt of \$74 billion compared to Canada's \$35.8 billion." The latter figure is, in fact, our current deficit. Our national debt is approaching \$200 billion! I realize that it is the patriotic duty of the press to denigrate socialist Sweden at every opportunity, but this seems a little excessive.

DAVID GRANT
Scarborough, Ont.

PASSAGES

ASSIGNED Hockey superstar Guy Lafleur, 34, who retired from the Montreal Canadiens lineup last November after scoring 518 goals and 528 assists in a 15-year career playing right wing from his public relations position with the team. Lafleur said that he felt wooed by its reduced salary offer of \$75,000 a year proposed by team president Ronald Carey. Lafleur now earns \$400,000.

DIED Former postal worker and militant postal union leader Joe Hawkins, 71, of a heart attack, in his native Motherwell, Scotland. During a 42-day postal workers' strike in 1970, Davidson earned the wrath of officials when he declared, "If the public won't see the justice of our case, then to hell with the public." As president of the Canadian Union of Postal Workers Davidson took a strong anti-management stand which led to two crippling strikes.

DIED Former Seafarers union official Hal Banks, 70, who came to Canada from the United States in 1949 and successfully broke up the Communist-dominated Canadian Seamen's Union on behalf of the U.S.-based Seafarers International Union, from heart disease, in San Francisco. In 1964 the leader of the Seafarers International Union of America was convicted of conspiracy in the kidnapping of a Canadian sea captain and fled to the United States where he was arrested but eventually released. He later started a water-taxi business in the San Francisco area.

DIED Veteran American stage, screen and TV actor Lloyd Nolan, 81, of lung cancer, at his home in Los Angeles. Nolan often played gangsters or politicians in the 1930s and 1940s, and although most of his credits were "B" pictures—secondary features—critics regarded him highly. He was an Emmy for his 1955 TV performance as the crazed Capt. Quong in *The Gunter Mating* and played Dr. Martin Chuzzlewit with lead star Diana Carroll in *John Ford* from 1961 to 1971.

RETIRED Nikolai Tikhonov, 50, after five years as the prime minister of the Soviet Union, citing poor health as his reason for leaving. Nikolai Ryzhkov replaced him in the post.

REASSIGNED Panamanian President Nicolás Arfola Barletta, 68, after losing the confidence of the nation's armed forces. An economist, Arfola was sworn in 31 months ago as the first democratically elected president of Panama in 88 years. First vice-president Eric Arturo del Valle, 54, is the constitutional successor.

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The cost of redress

Your story "A holdup on harassment" (Follow-up, Sept. 8) might cause unnecessary worry about the cost of obtaining redress when making a complaint under the Canadian Human Rights Act. The fact is that the act protects people from discrimination, without any cost. In short, the commission offered this service to the complainant in the case you wrote about, but she chose to retain her own lawyer. The tribunal, in refusing the request of the complainant's lawyer for legal costs, said: "Given the issues, we do not feel that two counsel were necessary to present them. The structure of the act permits an individual who has a complaint to have it processed by competent counsel for the commission without incurring personal expense. With hindsight, we feel that this is not a case for compensation [former special assistant to my Altona Marjorie Krutina] Potapov for any redundant legal costs that were incurred."

—R. GORDON FAIRWEATHER,
Chief Commissioner,
Canadian Human Rights Commission,
Ottawa

Maritime discontents

Hareh's for Peter C. Newman's timely essay on the state of the Royal Canadian Navy ("The Canadian navy's hard-time days," Sept. 8). We Canadians are a strange people. In 1910 we began our own navy, mostly to assert our independence from Great Britain. It was a brave and expensive decision for a young nation. In 1965 we seem bent on the destruction of our navy's credibility and, in essence, the handing of our maritime defence over to the United States. So my question to the editor is a whole lot, was it overkill to do it in the first place? Or have Canadians lost their pride and resolve?

—STEFAN LUTHE,
Windsor, Ont.

A psychological first

In your obituary for Donald Hebb (Panorama, Sept. 2), the title of his classic 1949 book was incorrectly referenced. Hebb's book is entitled *The Organization of Behavior: A Neuropsychological Theory*, not "A Neuropsychological Theory." Hebb's use of the word neuropsychological may well have been the first use of this term for the concept of the coupling of psychological and neurological actions, which has become so pervasive in modern psychology.

—BARBARA F. WITTEKOP,
McMaster University,
Hamilton, Ont.

Abortion and power

In her study of patriarchal societies, Marilyn French finds that because women hold the future in their words

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they were a part of nature that men particularly needed to control ("A feminist plea to save hamlets," Books, Aug. 26). Today, feminists have put themselves completely under the control of men. Because we bought the idea that abortion gives us control over our own bodies, our wombs no longer hold the future. The feminist plea to save humanity would certainly be more creditable if it made the abolition of abortion its primary goal.

—PEGGY BATES,
Ottawa

Minding our manners

With regard to Peter C. Newman's column about corporate etiquette and Egon Jankovic's etiquette training ("Lessons from above the suit," Business Watch, Aug. 20) more people can indeed be fooled, but I can spot a phony wit in five minutes (its quote is incorrect) but just by looking at her photograph with a class raised in a toast. That phony is clearly removed from the scene in a dead phony way.

—HANNA HAUTER,
Calgary

Brace and Brynn

Shame on you for giving a cover story to Bruce (Born in the U.S.A.) Springfield (Cover, Sept. 2) but not to our own Brynn Adams ("The master of rock'n'roll romance," Music, Aug. 31) expected better from Canada's national news magazine. I guess it's just another example of our country losing itself in American culture.

—HEATHER BERGENT,
St. John's

The bottom line

I take strong objection to the photograph of "sex kitten" Pia Zadora in the Sept. 2 People edition. There is no new story here, and it is clear that the photo is included simply to show the bare buttocks of a woman. Interestingly, your People edition features "tight" articles on women who can't seem to master the art of fully dressing themselves, while the men are tough, intelligent, self-made men of money clothed. This trend is sexist, demeaning and beneath you.

—WALTER BARLOW,
Ottawa

I appreciate Pia Zadora's fine talent as an actress, singer, dancer, wife and mother, but couldn't you keep her bare buttocks out of your magazine? It isn't necessary.

—CATY KROCH,
Windsor, Ont.

Letters are edited and may be condensed. Writers should supply name, address and telephone number. Mail correspondence to: Letters to the Editor, Maclean's magazine, Maclean's House Ltd., 777 Bay St., Toronto, Ont. M5W 1A7.



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Quebec's capital of rock'n'roll

It looks like a typical small-town town. But The Commons bar in Morin Heights, Que., 30 km northwest of Montreal, with its old goal table, warped wooden floors and cheap, \$300-a-night bar stools, has hosted many of the top stars of the rock'n'roll music industry. Morin Heights, a picture-postcard town of 1,400 residents, carved out of the Laurentian ski hills, is also the site of Le

Studio, the \$6-million complex added attraction in the beauty of its secluded location. Set on the wooded edge of the Morin Heights town boundary, Le Studio is accessible only by a dirt road leading off the two-lane highway that bisects the town. Called Perry Road, the wide, cold-dirt drive leads through dense maple forest to a 300-acre estate with a private lake. With its stilted wood

ty is costly to run—the electrical bill alone exceeds \$50,000 annually.

In order to keep up with changing trends in rock, Perry recently spent \$3 million to upgrade his video facilities. Now, Perry and his video technicians edit videotape, design computer graphics and shoot dance sequences and dramatic scenes for videos and documentaries on a 35-foot-by-30-foot shooting stage. All videos can be synchronized to sound produced in Le Studio's recording facilities—the first in Canada to be equipped with digital equipment, the parent and most up-to-date technology available. Said Ted Blackman, a Montreal radio executive who has known Perry for almost 20 years: "André simply spends every cent he earns on new equipment. He is determined to have the Taj Mahal of the recording industry."

Le Studio's impressive array of hardware has brought new wealth to the town. Perry claims that its presence generates more than \$1 million in local business each year. For 55 years Osmo LeGallier has owned and operated Midey's, a clothing store and coffee shop on the town's main street, where he also answers the police and fire department telephones at night. Said LeGallier: "Many is no object for that crowd. They all pay with big bills. They dump a fair amount of money here." Still, locals rarely get full-time specialized work. To build its 30-member staff—which includes computer graphics artists and a sound-recording engineer—Le Studio has had to import most of them from cities such as Montreal.

For their part, residents of Morin Heights barely notice the stars who pass through. Morin Heights is a town of mostly French and English families, the oldest townhouses in the village community dates back to 1863. Most of the local people have never lived elsewhere, and they earn their living largely from the seasonal work at the nearby ski hills or in private cottage construction; they are used to seeing outsiders come and go.

The local residents allow surprisingly benign personalities to move easily through the town. Some, like Sting, formerly of The Police, even ski on nearby hills in winter. Said Leslie: "We have gotten used to hearing British accents in bars. Nobody is especially impressed by rock stars." Usually only visitors to the town seek autographs. Said Leslie: Chief Brassi Wood, one of Morin Heights' two policemen. "It is easy to spot the out-of-towners who come here



Bowie recording Tonight (1984) in Morin Heights; Lesnik shows in rehearsal

Studio, one of the world's most prestigious and productive recording studios. The technical wizardry of Le Studio and its owner, Montreal-born André Perry, have attracted such stars as David Bowie, the Bee Gees, Chicago, Bryan Adams and Sting. And after a recording session the artists and members of their entourage often crowded at The Commons, the only bar in town. Said Trevor Leslie, co-owner of the bar: "Part of the allure of Le Studio is that nobody in town bothers the rock stars. In my bar they have to line up for the pool table like everyone else."

Le Studio, which opened in 1974, has produced a dazzling array of best-selling albums on its 64-track recording console and its products have won 72 gold and platinum records. But what

entire and sloping roof, Le Studio is a larger version of the cottages and old chalets that dot the surrounding landscape. But inside, its well-to-wall brick loom, splashing fountain and modern furniture suggest instead the real efficiency of a corporate office.

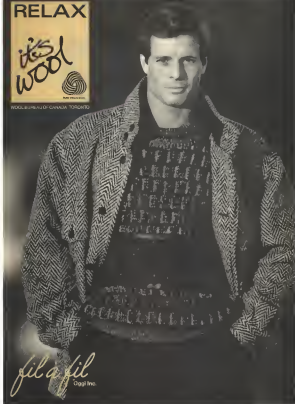
Unlike the dark, cell-like atmosphere of most recording facilities, Le Studio offers its clients a magnificent view overlooking Perry's privately owned Lake Kater. Artists often follow a recording session with a swim or paddleboat ride before retiring to Perry's lake-side. Jacuzzi-equipped six-room guesthouse nearby. The dining scenery coupled with state-of-the-art recording technology have enabled Perry to charge his clients about \$2,500 a day for Le Studio's services. Still, the facili-

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to peek at rock stars. We just chase them away pretty quickly."

Perry was fascinated by the music industry and its stars from childhood. A Grade 6 drop-out who travelled to the United States with a jazz band when he was 14, Perry has been involved in the technical side of the recording industry since 1962 when he built his first studio in the basement of a friend's suburban Montreal home. By 1970 he had established himself as a leading producer in the Quebec music scene and had changed his clientele from such locally known artists as Jean Pierre Ferland and Robert Charlebois to international stars. Indeed, when John Lennon and Yoko Ono held their famous "bed-in" at Montreal's Queen Elizabeth Hotel in 1969, it was Perry who supervised the hotel room recording of their protest single Give Peace a Chance.

In 1974 Perry and Yael Brando, his partner in business and private life, opened Le Studio at their Laurentian cottage. One of their first clients—or "guests," as Perry prefers to call them—was British rocker Cat Stevens, who recorded two of his more obscure albums, *Numbers* and *Tattoo*, in Morris Heights. A year later the Bee Gees recorded the sound track album for the film *Saturday Night Fever*. That album scored to sales of more than 30 million copies and secured Le Studio's inter-

national reputation in the industry. Since he first opened his business, Perry has tried to integrate himself and his business into the community. In 1980 Le Studio even took a quarter-page ad in the town's 125th anniversary commemorative album—an act calculated to demonstrate its community spirit. And almost every Sunday afternoon both Perry and Brando ride their horses down Village Street, the town's main artery.

Still, some local people do not accept Perry as an artist. "I call them the Montreal disco-squealers," said one Maria DaGros contractor, who preferred to remain anonymous because he occasionally does work at Le Studio.

"They demand that you get the music done immediately, but you can't start making noise until 8 p.m. because you'll wake them up," Ronald Fyle, owner of a local restaurant, Melrose's, has also experienced a small degree of rejection by Le Studio's famous fans. Two years ago his restaurant served dinner to the rock band Ayn every Tuesday

night while they recorded their hit album, *Alpha*. Recalled Fyle: "They promised to send us a copy of the album when it finally came out, but we never got it." Still, Fyle told *Montreal's* that he enjoyed having the band's business. "None of them ate meat and we had to make three special meals," he recalled. "But on their last visit the meat manager left us a \$100 tip on a \$200 meal."

Indeed, lavish generosity has become part of the local folklore—as has the rock'n'roll visitors' lack of preparation for the Laurentian's vigorous climate. Just starvelinger Le-Gallois: "I can't count the number of times that a car has pulled up outside our store in the middle of winter and some foreign rock stars have gotten out wearing nothing but tennis shoes on their feet." But, he added, "when they need looking after, when they need winter boots and scarves, Perry sends them to us."

—BRUCE WALLACE in *Montreal's*



Perry Brando, Jacques

Getting there is half the fun, Charles.



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Q&A: BILL FORSYTH

Filming the Scots soul

In his four acclaimed feature films—*That Daring Feeling*, *Gregory's Girl*, *Local Hero* and the darkest comedy of the first, *Comfort and Joy*—director Bill Forsyth, 38, conveys a humorous and sensitive view of his native Scotland. Indeed, his movies have shown his Canadian colleagues that films with a strong sense of regional flavor, made independently of the big studios, can still be successful. Last month the director, his wife, Adrienne, and his two-month-old son, Sam, are up to temporary residence in Vancouver while Forsyth scouts locations for his fifth film, *Alan*. Born in Glasgow, Scotland, the son of a grocer, Forsyth became an apprentice film editor at 17 and made documentaries and industrial films before graduating into experimental short films and then, in 1976, his first feature, *Machin*, a correspondent Gerald Forsyth interviewed Forsyth last month in Toronto during the Festival of Festivals. Excerpts.

Machin's: What was your experience at Toronto's Festival of Festivals?

Forsyth: I have spent most of my life in Scotland and I haven't been to a lot of festivals or moved around a great deal. In Toronto I met other directors like me who are in the wings of the studio industry and have a lively desire to maintain independence—people such as Philip Barlow of Canada, and Paul Cox of Australia and Alan Rudolph, who works in Los Angeles. The experience has given me a sense of belonging; there are things to brist about.

Machin's: Why have Canadian filmmakers not made films with the same strong sense of regional identity that yours have?

Forsyth: I sense that Canadian cultural differences are less identifiable than in Scotland—that it could be very difficult for a Canadian to sit down and think himself into a posture of being Canadian rather than North American. It's easier for me to be a Scotsman making films because of the overwhelming feeling of most people in Scotland that they are subversive to England and have a clasp on their shoulder. Scottish characters can be perceived by a phrase, topped very quickly. But I suppose one could make a *Comfort and Joy* in Toronto. The characters or the periphery are much the same.

Machin's: Now that your pictures have international prestige, are Hollywood studios eager to finance them?

Forsyth: Producers are surprised because I work in low budget films. It is

easier to ask for \$10 or \$12 million for a picture than \$5 or \$6 million. If you ask for relatively little money, they worry that you are getting involved in something that is unworkable or, worse, unmarketable. "Unmarketable" is a much more worrying term for them than "unworkable" because if they can find an

angle to make something somewhat marketable, they will do it every week. The studio system remains one of the stock market. People think it is a place of head-busters. But it actually works in a totally emotional way. The President gets a couple as his nose and everything glimmers. The movie business is very much like that. People in authority make purely emotional decisions instead of sobering, rational ones.

Machin's: After seeing your earlier works, do audiences expect—do you—that your films be optimistic and cheery?



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Forayth: I was quite surprised to find how early people wanted to purchase the film I have done. Perhaps not only, I thought people understood what humor was—that it was invented by the human race to cope with the dark areas of life, the problems and tensions. It is strange to me that people want humor to be in a category all by itself, as pure entertainment. But that has not made me falter in any way.

Maclean's: Local Hero ended early. Was your distributor on that film, Warner Bros., displeased?

Forayth: That was one of the early brushes I had with a studio. I was not down by a couple of Warner's executives in Los Angeles and asked if I would like to produce the ending. They were volunteered to finance a subplot. I don't generally know what ideas they had but I said, "No, I'm not interested, more out of laziness than anything. The movie had been finished seven months before, and the last thing on my mind was to return to use of those beaches and try to think up a new ending. That experience was quite surprising and what I experienced was league pressure, because Warner was very happy with the movie and happy to distribute it." Well, I thought, "If this is their best, God help me if they ever have a financial interest."

Maclean's: Why do you seem to shoot your next project, *Blackbeaking*,



Forayth with ace, Scott Bakula

around rural British Columbia?
Forayth: *Blackbeaking* is from a first novel by Marjorie Roberson and is set in a small lake-side lumber town in Idaho in the early 1900s. We drove through the American northwestern states, but everything is so different now. It has become a resort area, with marinas and the lakes are papered with cabins, so it would be very difficult to recreate the 1900s. Then we crossed the border into Canada and the locations were there to be used. We are still trying to raise the money. The most of the film is set in deep winter, so we don't have to shoot until February.

Maclean's: What is the story about?

Forayth: It is about two girls who do not have a mother, as they end up living with a succession of female relatives and finally with their late mother's sister, a vagrant. She is almost like a wild woman. The movie is about the girls' desperate attempts to domesticate their aunt and her almost pitiful attempt to be a kind of housekeeper for them and a mother. There are serious comedic elements in the details of the aunt trying to keep house. If she opens a can of beans, she washes away the label and keeps the can, because a vagrant does not throw anything away. During the course of a year a whole stack of cans piles up in the front room, and newspapers as well. But it is no heart-breaking to be called a comedy.

Maclean's: You have often said that your problem as becoming a film-maker was that you were too shy.

Forayth: Yes, I had trouble connecting with people. I felt that if I ever had a career as a film-maker I would have to do something about that. I had made experimental films, but I had never worked with actors. To make my first feature, *That Dying Feeling*, I went to the Glasgow Royal Theatre. But I was so shy that I was there for about six weeks without actually introducing myself. Finally, the director said, "You'd have to talk to the kids, Bill. They keep saying, 'Who is that weird guy hanging around in the back?'" It was a big moment for me when I actually had to address them. I did not realize that the idea of someone coming along and saying, "I want to put you into a movie" would be a terrible one for them. The kids compensated for my shyness and lack of experience when we worked together because I did not know any better. I tried to talk them into particular stances that they could do perfectly well themselves. In fact, one of the young stars put me in my place when he said after a while, "I don't know what you are saying, but I know what you mean." You know, Ben Lusscombe said exactly the same thing to me on the set of *Land Where We*. But he said it because he could not understand my accent. ☐

LETTER FROM: ETHIOPIA

Life in a hungry town

Toronto-based lawyer Ross Mary McCormack, 32, is a volunteer adviser to the eight-month-old *Adopt-A-Village* and program, which pairs homes in famine-stricken areas of East Africa with Canadian cities in an effort to help Somalia and Ethiopia to rebuild. Recently, McCormack visited Toronto's "adopted town," Gode. Her report:

Gode is a tiny, dusty town in the Ogaden desert in Southeast Ethiopia, just 100 km north of the Somali border. For centuries the town, a watering spot for local nomads, has been directly in the path of invading desert warriors. The most recent war, a 1978 invasion by troops from neighboring Somalia, left it in ruins. Many nomads, ignoring the borders, scattered behind the advancing troops, moving into Somalia. But over the past five years they have begun to return. Their repatriation has coincided with one of Africa's worst droughts of this century, and now Gode's population of 3,000 is supporting 47,000 refugees, whose influx is continuing.

Gode is usually inaccessible by road; the only reliable entry is by air from the capital, Addis Ababa. Flights are sporadic, most by military planes doing double duty to food and cargo convert. I flew in on an East German Antonov, a small military cargo plane, where on board of grain marked "Gift of Canada." From the air the town blended into the sandy-brown desert, its mud-and-thatch buildings scattered across the sand. There were only a few administrative buildings—the army barracks, a Coptic Christian church, a mosque, the hospital and the school.

But in the town itself, the residents gave way to astonishing displays of colour. The brilliantly dyed long-fringed garments of the local people flamed with deep blue, vivid green, red and yellow. Once split evenly between the Christian Amharas, nomads and sheep-herds and the generally nomadic Maalees, Somalis, the populace is now also divided between recent immigrants and the refugees in shelters on the town's outskirts.

On my first night the team of 11 Ethiopians who administer Canadian aid at the local level took me to Gode's market. It consisted of several mud-and-thatch houses packed together and its roof consisted of three wooden tables standing in the sand. Discussion at the bar about the effectiveness of Canadian aid evoked mixed response. In

that corner of Ethiopia Canadian aid is well respected and well received by the agency, the World University Services of Canada. Said Amrohed Joseph, town's local truck driver: "Before the Canadian aid arrived, children were dying of hunger. Since then, none." But Wubachet Woldemariam, the town field

co-ordinator, was more pessimistic. "There is not enough food for everyone and not enough storage space for what does come," he said. "And we don't have trucks to carry more if we get it."

A visit to the children's shelter, a cluttered area right next to the field provided more than 100 of the youngest children from the 48°C heat, confirmed that the program is still not comprehensive enough to completely eliminate undernourishment. There, twice a day, children under 5 who suffer from advanced malnutrition received the Cana-



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dian Food Supplement (CFS), a paintable, white, high-protein grout created by Giv'ith Laboratories in Scarborough, Ont. Most of the children weighed less than 80 per cent of what doctors said they should. To achieve normal weights they required five feedings a day, and there was only enough CFS for two.

In one corner a mother with a baby sat watching while an older child ate her ration and the baby's helpings of CFS. The older child was relatively strong; the younger one appeared to be ill and coughed incessantly. Everyone in the shelter recognized that circumstances had forced the mother to make a Darwinian choice—to feed the child who had the most chance of living.

Unlike the children's shelter, the hospital occupied a real concrete building. But it had no refrigerator to preserve drugs, and anyway few drugs reached Gode before their expiry date. Three out of 10 people in Gode had tuberculosis, probably contracted from drinking centers' milk—such a crucial element of the nomads' diet that Somali women try to give their babies' latch to cows and eat that of the camels so that there will be a sure supply of milk for the human babies. To handle tuberculosis cases one European government had sent an X-ray machine which operated by means of powdered film. But powdered milk was available in Ethiopia. The machine had never been used. Dr. Pashia, one of the hospital's two doctors, said, "I have seen many girls from the developed countries that were given in good faith but were inappropriate—disposable—disposable, for instance." He added that after dark the hospital handled emergency surgery with flashlights. Said Pashia, "What we really need is a generator."

Gode was trying to deal with human distress on a vast scale. Still, its social life went on. On Friday nights on Market Road, a strip of the street where the houses doubled as shops, the people clustered around strategically placed radios for the day's most important social event: *son radio's World Report*. We sat in the dust and listened to reports dealing with dissentment in South Africa and labor strife in Britain. Soon, the night air, which smelted strongly of incense and coffee, grew colder. A Somali man wrapped a veil around my shoulders and asked against the border of mosquitoes—a wordless act of hospitality.

Ali Asaad, a 29-year-old Moslem who kept records of all the food received and distributed in Gode from WUSA, asked what people would be doing back in Toronto on a similar Friday night. We frowned, then fell silent—aware that only repeated conversations between two worlds would make it easier to describe the lives of either in a way that would be understandable to the other.

COLUMN

Swallowing a Yankee faux pas

By Brian Cohen

The vast majority of Canadians—87 per cent—believe in God, according to a recent Gallup poll. I wonder if, pressed, they would admit to believing in a mischievous God who makes life embarrassing and difficult for Canadian policymakers.

The existence of such a God appears likely if our recent encounters with the Americans are any indication. We had to learn something Americans do not refer to Japan as their best trading partner (that's the Polar Sea) through our territorial waters without even a by-your-leave.

The Americans followed that gift by neglecting to invite us to last weekend's hastily called New York meeting of the world's most influential financial ministers and bankers. That meeting was convened in order to discuss how the international economy might be stabilized and to use agreement on ways in which the U.S. dollar might be devalued.

Now, Canada has a huge trade surplus with the United States. As its biggest customer, we will be the hardest-hit by any protectionist measures enacted by the U.S. Congress. And we are probably on the verge of entering industrial talks to change the nature of our trade relationship. One would have thought, on protocol alone, that Canada would have received an invitation.

The flight is real. But given the circumstances in which Washington is currently mired, we should swallow up and applaud the meeting. Doing that, at least, might make Canadian economic policy-making so hard.

It is easy to blame the problems of the U.S. trade deficit on American trade policy, because high U.S. interest rates and low taxes put the Americans into their trade deficit problem; they need simply to apply appropriate austerity policies and get themselves out. That is an easy position to take, but a short-sighted one.

The crux is that Canada must show more understanding if that President Ronald Reagan's policies, which many in this country privately laughed at, are bringing the global economy out of recession—even if his country is now suffering from the President's cure.

In 1982 he faced international pressure for an economic recovery, and every country wanted them to be exported. The United States made that possible in large part because of Reagan's faith in

the benefits of wealth, free-market capitalism. Reagan believed that if he lowered taxes and did not regulate the dollar's value, free-market forces would lead Americans to build up savings or invest their residual wealth at home.

There was a recovery, but it came about instead because millions of people, including the Japanese, Canadians and Latin Americans, bought U.S. dollars while Americans bought other countries' exports. In the past three to four years, the United States dollar has been exerted more through extra exports than they have had to pay in higher interest payments. As a result, their debt-service ratios—the percentage of their foreign exchange that goes to pay interest on their debt—have fallen.

The United States has, in effect, postponed the world out of the 1980-82 recession. But the next stage is Reagan's plan, in which the world was supposed to settle down to a sustainable

The United States' economic recovery was possible because Reagan's faith in free-market capitalism

three- to four-per-cent growth rate, has not happened on schedule. As long ago as the 1982 Williamson economic summit, the leading industrial countries—on that occasion, Canada qualified for an invitation—agreed that co-ordinated interest rates and tax policies would be needed to arrive at the steady growth state. It never happened, in large part because the United States would not agree to intervene in the foreign exchange market to lower the value of the U.S. dollar.

It is clear that steady growth will never happen without concerted effort. In Reagan's plan it made sense for the United States to regulate its borrowing money flow ahead of if it were to reconvert in its own economy and if the rest of the world were to increase its exports to America. But the rush of funds into the United States is now beginning to imperil American. The economic minister two weeks ago that the United States had turned into a net debt country—not at all good—made the world's largest net debtor—indicates the depth of that mismanagement.

The rest of the world must under-

stand that there can be no long-term benefit for anyone to continue to export into a United States burdened with a growing trade deficit. First, experts alone do not a sound economy make. All economic growth needs strong consumption and investment at home and abroad. Second, because the U.S. dollar remains so expensive that American manufacturers cannot compete abroad, Congress is slipping inexorably into protectionism.

Even without U.S. manufacturers cannot compete with low-cost imports. U.S. industrial production has been stagnant for nearly a year. Meanwhile, domestic investment within the United States is increasingly shifting from computer manufacturing to the construction of such areas as services and real estate.

These areas produce jobs—that is how the U.S. unemployment rate keeps dropping despite the stagnation in industrial production. But the trend to build office buildings, condominiums and an efficient service sector means that there is virtually nothing to export in order to earn money to pay off foreign debt. And those debts are projected to swell to a trillion by 1990.

And that is not the end of the current downturn in the world's financial and trading systems. There is now as much of the world's money concentrated in the United States that a host of arcane techniques, such as hostile takeovers and white knights, have been invented to churn it around.

Last week's activities mark the first step toward correcting the international imbalances. Without doubt, coordinated monetary and fiscal policies are required. Not only must the U.S.-dollar be held off around the world, but Japan must have to relax their tax policies if they are to attract their share of investment, while Canada must encourage domestic business confidence by ending its crippling addiction to free trade and the Marshallian commitment to supported reform. National pride is not the issue. Three-quarters of our foreign trade is with the United States, the much for other markets has been so free that Europe, which took a quarter of our exports 20 years ago, now takes only eight per cent. So although we were not invited to the table, we must find the good sense to support the institutions that last week in our absence.

Brian Cohen is a Montreal-based economist and writer.



MULRONEY UNDER FIRE

On the most brutal day of a raucous political week, Prime Minister Brian Mulroney faced a critical challenge. At his year-old government tried to shake off a growing sense of crisis, he stood before a withering fusillade of questions in the Commons about the resignation of Fisheries Minister John Fraser, the British Columbian who left the cabinet earlier in the week following a storm of protest over his han-

donned minister from two important provinces within 52 hours left the Prime Minister with the most serious crisis since the Progressive Conservatives took power with a mandate for change

how a crisis plays out on television

The announcement of Masse's departure as communications minister in the Commons took place at the end of Question Period, almost Conservatives gath-

Ottawa's attempted \$25-million rescue of the Edmonton-based Canadian Commercial Bank, which collapsed on Sept. 1, and about its efforts to keep Calgary's Northland Bank alive (page 40). Said New Democrat House Leader Ian Drans: "There is a lot of doubt in the opposition and, I think, outside about the basic honesty of the government as a whole." Charged New Democratic Party Leader Ed Broadbent: "The government has moved from a state of crisis to one of complete and utter chaos." And Liberal MP Doug Pratt said, "Two weeks ago you

resignation ultimately may have flowed out of his public disagreement with Mulroney about the sequence of events leading up to Ottawa's decision to order the fish off the market on Sept. 19. Having first said that he passed details of the problems to the Prime Minister's Office "some weeks ago," Fraser then reversed his position. But last week Mulroney's learned that a 1980 official telephoned Fraser on Sept. 20 and dictated the clarifying statement that Fraser issued over his own name three days before his departure from the cabinet.

last year. Within hours Mulroney telephoned CP to declare that after checking with Patrick MacAdam, a Mulroney aide responsible for caucus liaison, he was convinced that he had not raised the issue in caucus. In the Commons, Mulroney stated that McCuin had not been in caucus since Jan. 6 became ill, and the Prime Minister added that the New Brunswick MP in fact had retraced the matter in caucus. Declared Mulroney: "No member raised that issue in our caucus in my presence and, I'm informed, in the presence of anybody else." Predded on the point by Opposition Leader John Turner, Mulroney declared: "I told the truth. That is what it is absolutely." McCuin contacted the news agency a third time and insisted that there had been "no pressure from the Prime Minister, Pat MacAdam or



Fraser: resigned Sept. 22, 1990

ding of the tainted tuna fish affair. Looking tense, tired and grim, Mulroney sought to assure MPs that he had not visited Parliament about when he first learned that Fraser had allowed more than one million litres of rancid tuna on the market. He also confronted opposition comment on his conduct in the Watersgate scandal that brought down U.S. President Richard Nixon in 1976. What only Mulroney and a few members of his inner circle knew was that the worst was yet to come: the resignation of the Prime Minister's trusted Quebec minister Marcel Masse because of an inner investigation of his election campaign spending last year.

The resignation of two senior and ex-



Lights burning late in the Prime Minister's Office: late and the RCMP

last September. The events of the week—including conflicting statements about when the Prime Minister knew about the circumstances that forced Fraser and Masse to resign—raised major questions about the young government's competence and credibility. And the details of the government's reaction to the tuna affair raised the issue of whether Mulroney's encourage makes decisions largely by anticipating

and their papers and prepared to leave the chamber. The minister stood up with his announcement. Masse, a member of Mulroney's powerful inner cabinet, declared that he fully expected to be overruled but he added that he felt obliged to resign because changes could be laid that could "leave doubt about my integrity."

As well, the opposition asked persistent and tough questions about

could not have not down and written a script this well."

Underlying the week of crisis were controversy about the role that Mulroney's office played in keeping him properly briefed on important developments—and how his advisers attempted to control damage by using the power of the Prime Minister's Office. Fraser's

The Prime Minister insisted that he learned about Fraser's decision only after the 9th estate public affairs program the 9th estate reported the affair on Sept. 17. Then, in an interview with The Canadian Press last Wednesday, New Brunswick Conservative MP Fred McCuin said that he raised the tuna fish problem at a Tory caucus meeting in the



Masse: resigned Sept. 23, 1990

anybody else on me as to what I should say on this matter."

On Thursday, Mulroney faced a similar dispute arising out of conflicting claims about when he first knew about the RCMP investigation of Masse. Gerry Lampert, the Conservative party's national director, declared that "senior people" in the PMO knew several months ago that Masse was being investigated for irregularities in his campaign spending. Mulroney insisted that he learned of the minister's problems only hours before Masse resigned. And the Prime Minister said he had questioned his senior staff, who assured him that they were not told in advance about Masse's problems. Mulroney challenged

the opposition to prove that he wanted the Commons and he said that he would resign if they could. "I have responded in a specific and honest manner," said the Prime Minister. Any doubt Mr. Mulroney should "put his seat on the line, and I will vote." Outside the Commons, Opposition Leader Turner told reporters, "Somebody's lying."

Questions also arose about two of Mulroney's senior aides, MacAdam and deputy principal secretary Ian Anderson. Both knew that Fraser had ordered questionable votes to be released into the marketplace. But both MacAdam and Anderson have since said that they concluded there was no need to inform their boss. "The Prime Minister seems to have adopted a no-need-to-know policy," said the star's doctor. "If he doesn't know, no one can question his integrity and therefore he can walk around openly clean while everyone else walks around covered in muck."

Overlooked. Privately, senior party officials and cabinet ministers were frustrated and alarmed by the performance of the PMO. Indeed, some senior Conservative party officials have suggested that Mulroney's principal secretary, Bernard Roy, be replaced by a more experienced political strategist. According to the Montreal daily *Le Presse*, members of the Tories' so-called "Big Boy Mac" in Ottawa told Mulroney last week that Roy should be replaced in a major overhaul of the PMO. Mulroney insisted that Roy's job was "absolutely safe" and that he did not plan to fire any of his aides because there was no evidence of wrongdoing. But a senior Conservative told *Maclean's*, "This government has no ability whatever to handle crises."

Mulroney advisers say that the Prime Minister has been aware of that deficiency since the summer. At that time, his government appeared well inside as the issue of Canadian sovereignty was the U.S. Coast Guard seaborer Polar Sea sailed through the Northwest Passage without seeking permission from Ottawa.

On Thursday, in an effort to demonstrate that his government was still functioning, Mulroney went ahead with his long-anticipated announcement that Ottawa will seek to negotiate a pact aimed at removing barriers to trade with the United States (page 32). Mulroney's trade initiative was sold as support in business circles, but it was clear that corporate Canada was growing increasingly impatient with the Mulroney government's failure to reduce the nation's projected 1985 deficit of \$22.2 billion and with Fraser Minister Michael Wilson's apparent lack of power within the cabinet (page 30).

As the government absorbed the impact of repeated blows, John Turner was

forced to deal with rumors that some Liberal MPs may want to depose him as leader. Commented that the Mulroney government now can be defeated after only one term, several senior Liberal MPs told *Maclean's* that some party members are already at work on a plan to replace Turner in favor of a fresh face before the next election, which would normally be held three years from now. Some party dissidents say they believe that Turner, needing his shaky support within the party, may voluntarily step down by next spring. Turner, however, told *Maclean's*, "I didn't leave private life not to become Prime Minister of Canada again and I'm determined to win the constitutional approval of the Liberal party and to win the next election." If he does stay on, Mulroney has insisted that a group of senior Liberals has already discussed a plan to demand that he resign for the good of the party.

Reckless. But Mulroney's problems were even more immediate and pressing. The Prime Minister knows that his personal credibility is an essential element in the work of the government, that he deserves it. Repeatedly last week the Prime Minister confronted critics directly with categorical assertions of his rectitude. At a press conference Mulroney said, "I am telling the absolute and total truth."

The credibility issue surfaced on Sept. 18, when Mulroney said that he first learned of the scandal from a friend who advised him about the controversy the night before. But two days later Fraser said that officials in Mulroney's office had been informed in July of details about the tuna shipped from the Star-Kiel Canada Inc. tuna cannery outside St. Andrews, N.B. Fraser added that he and Health Minister Jake Epp—not Mulroney, as the Prime Minister stated—had ordered the suspect tuna from store shelves.

The PMO's corrective telephone call to Fraser's office took place late on Friday, Sept. 20. Mulroney's aide dictated a retraction that Fraser received at 9 p.m. in 20 and "Nathan I saw my staff provided the Fraser Minister's office with the wrong known details of this case, used Wednesday, Sept. 18, 1985." Then, on the weekend Fraser and Mulroney met and discussed the possibility of Fraser's resig-



Turner, Mulroney (right) with aide Bill Preston (center); (above) Mulroney with Coster (below) on the day of the defense minister's resignation; a damage control operation

ignation. Finally, on Monday morning Fraser was summoned to Mulroney's official residence at 26 Sussex Drive, where, in Mulroney's words, he was given Fraser's resignation "with considerable regret."

The announcement of Fraser's departure, common before the start of the Commons' Question Period at 2 p.m., deprived him of the opportunity to make a farewell statement in the House, where he would have requested of both opposition parties. Instead, Fraser sat quietly at his front bench seat, his face grimaced, his jaw clenched shut, as he listened to answer opposition questions because he was no longer a minister. Fraser said that he will continue to sit as the MP for Vancouver South. He then left the Commons as an ordinary MP.

Barriers. Fraser's action did not stop the barrage of opposition questions about the tuna affair. Roy Kelly, a British Columbia MP, charged that Fraser was forced out because he had challenged Mulroney's integrity, "not because of the tuna, major error which the minister of Fisheries made."

Then, CP reported that two Fraser aides told Anderson, who at the time was communications director in the PMO, about the tuna affair in mid-July and added that the CPV television network might be preparing to break the report. CPV decided to hold the report, said Anderson obtained a transcript of an uncut June 25 CPV interview with



Fraser, which CPV news finally ran last week. Fraser said that he had released the tuna affair overruling his departmental inspectors, who said that the fish was " unfit for human consumption." By his part, Anderson told reporters that he decided not to tell Mul-

rooney about the episode because CPV did not plan to air the report. Besides, Anderson said, Fraser had told him that the tuna did not pose a health hazard.

In the Commons, Mulroney said that Fisheries department officials told one of his advisers in the summer about the

imminent release of a television program "on the tuna matter. Adm. Mulroney." They explained apparently in some detail what the television program apparently was going to be about, and that was that it did not appear and it was not brought to my attention."

Tensions. MacAdam also told CP last week that he learned about the tainted tuna in July—and that he, too, decided not to inform Mulroney because Fisheries department officials told him that there was not a serious problem. The day after MacAdam's statement appeared, Mulroney angrily insisted in the Commons that his aide had assured him that he did not make the statement reported by CP. But the revelations and demands only fueled opposition charges that the truth was being suppressed. "Either there's a massive cover-up," charged Broadbent, "or massive incompetence."

On Thursday a reporter based on a taped interview with MP McCain, whose Carleton Place riding in New Brunswick includes the troubled Star-Kiel plant. Although McCain intended to defend Fraser's handling of the tuna issue, he managed to cause problems for his leader instead. Said McCain, "But I did bring it up. The fact is, in casual dinner discussions since September of last year." A close reading of a transcript of the interview indicated that McCain, who had been away from Ottawa since June recovering from minor



ing, might have considered it a reporter. Robert Fife's questions.

When hours McCain called or again and denied that he had ever raised the issue with Mulroney, he acknowledged that he had called Mulroney to check his recollection. McCain said that he had asked Mulroney if he had "any need of my making a presentation that I couldn't remember having made—one to him or the Prime Minister on this subject matter."

After calling the two and talking to other colleagues, McCain concluded, "I made a mistake." Finally, in a third conversation with the news agency, McCain insisted that the two had not persuaded him to change his story.

Troops: Armed with McCain's initial statement, opposition MPs twice during Question Period compared Mulroney to Nixon. "Does the Prime Minister remember Richard Nixon?" demanded the MP's Edward McCurdy. He called Mulroney "I remember Richard Nixon, who was an unsolicited co-conspirator... a very tragic figure in American history. His problem was that he failed to respond fully and completely to legitimate questions—asked us, who responded completely before the House and the Parliament of Canada."

As the combative tone continued to dominate the Commons benches the next day, Broadbent called a news conference to demand that the two affair be sent to the Commons committee on privileges and elections to remove it from the House. The allegations and challenges to the Prime Minister's integrity were, declared Broadbent, undermining respect for Parliament. He added, "We've gone almost to the limits in Question Period on this without decreasing the whole process."

By that time Mulroney knew that the crisis gripping the government was about to get worse. At the Conservatives' regular Wednesday morning caucus meeting, the Prime Minister told his MPs that they faced more difficult days. But except for the Prime Minister, Solicitor General Dennis Beatty and Mulroney himself, few if any MPs realized that Mulroney's warning extended beyond the team scandal and the banking crisis.

As Question Period ended and members started leaving the House, a subterranean Mulroney called across to two Liberal members. "Get Mr. Tarnane to come back. One of my ministers has a statement," Mulroney told the Commons. "I



Mulroney: conflict over who knew what about the bank

learned this morning that I am the subject of an inquiry with respect to a presumed offence with respect to Section 81 and Section 82 of the Canada Elections Act during the last election campaign in the riding of Frontenac."

Headshot: While Mulroney added that he expected to be censured, he told the House that he decided to resign.

his portfolio because any charges "would reflect on the government." In fact, authorities are investigating allegations of excessive election spending or the submission of false expense declarations by 18 people who ran in the 1984 election.

According to William Fox, the Prime Minister's press secretary, Beatty spoke to Mulroney the day before Mulroney's resignation. The solicitor general told the Prime Minister, said Fox, that the Mulroneys

had informed him they were investigating a minister for possible election spending irregularities. Fox said that Mulroney did not ask for a name, Beatty did not supply one, and it was not until after the time named Mulroney's riding office in Thorford House, Que., that both Mulroney and Mulroney were informed for the first time.

Professional director Lampert said that he notified senior Mulroney aides, but not Mulroney, several months ago that Mulroney was under investigation in the Commons. Mulroney said that he had only learned of the investigation last week. He stated, "It may very well be that Mr. Lampert indeed informed a senior person of the fact that an alleged infraction may have been committed by the minister of communications, but that person was not a member of my staff." Mulroney announced later that he had appointed Alberta MP Peter Elings to conduct an "urgent investigation" into the issue of who knew about the Mulroney investigation. Elings then declared that Mulroney's handling of the issue had been "beyond reproach."

Future: The Prime Minister also had to deal with the future. He named Russell Bushnell, minister of state for transport, to temporarily assume Mulroney's duties and Deputy Prime Minister Erik Nielsen as interim Fisheries minister. Because Mulroney could return to the cabinet if he clears his name, Mulroney was expected to delay naming a permanent replacement. But Fraser's resignation posed a more pressing problem. While Mulroney still has seven Quebec ministers, there are now only two B.C. ministers in the 31-member cabinet.

The deeper concern for Mulroney was the need to address the doubts about the government's credibility and efficiency. Other governments, in other times, have overcome crises that were just as severe. Mulroney and his government could emerge from the current environment intact and strengthened if Mulroney clears his name, and if Mulroney has our confidence that he can successfully conduct all his statements to Parliament. At week's end, Mulroney faced the need to restore the image of his government. As he told a group of senators, politicians are judged not by their good days but by their handling of bad ones. Added Mulroney in a masterstroke of understatement: "I've had better days."

Anderson not on TV



—DEN MCGREGOR with PAUL SEGRELL and BOY MCGREGOR in Ottawa



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J.P. Wiser said it all, over 125 years ago, "Quality is something you just can't rush."



The eclipse of a Tory star

Therford Mines, in Quebec's Eastern Townships, is often cloaked in a cloud of asbestos dust—and often despair. Once a prosperous mining town, it has been in a steady decline since health and environmental concerns led to a downturn in demand for asbestos in the 1970s. Since 1979 thousands of families in the area have moved to more promising parts of the country as the three principal mining companies laid off workers. Families and green movements of asbestos waste ring the town's center, and the scars of spent mining mark its outskirts. Still, it was to Therford Mines that Conservative Leader Brian Mulroney looked in 1984 when he needed a launching pad for Marcel Masse, one of the brightest and most prominent members of the federal party's Quebec wing. Masse went on to enter the Commons as the MP for the region and rise to prominence in the cabinet. Then, last week he suddenly announced his resignation as communications minister.

Quebec: An intellectual with a 20,000-volume library and a taste for opera, Masse had never visited the town when Mulroney asked him to run in the surrounding riding of Frontenac in last September's federal election. As well, Tory strategists gave Masse little chance of beating the Liberal incumbent, Leopold Carmichael. But the energetic Masse took a leave from his job as a top executive for the giant Montreal-based Lavalin Inc. engineering firm and ran a ferociously effective campaign. When the results came in on Sept. 4, Masse had won the riding by more than 10,000 votes.

Just over a year later Masse announced that he felt obliged to resign because of an RCMP investigation into alleged spending violations in his campaign. His abrupt departure from the cabinet ended Mulroney's use of one of his strongest Quebec assets and surprised local politicians in Frontenac itself, where there had been no hint of campaign irregularities.

Masse's resignation also stunned and dismayed many members of the Canadian cultural community. The departure took place just as Masse—after encountering initially furious criticism from the cultural community—was embarking on his efforts to win friends in the arts and communications fields. Said concert singer Maurice Tremblay, chairman of

Therford Mines courthouse and signed by Const. André Gauthier, Masse sat in Therford Mines on March 30—almost seven months after the federal election—with local party officials, including treasurer Gilles Hébert. According to Gauthier's statement, the minutes of that meeting showed that the Conservative officials needed \$8,000 was needed to pay local campaign expenses. But Masse's organization had submitted the final election expenses report, which the Canada Elections Act requires, nearly three months earlier. According to the riding's chief returning officer, Henri Blanchard, that report showed that expenditures for Masse's campaign totaled \$32,591. That was well within the permissible limit under federal law of \$35,500. But the additional \$3,909 expenditure put spending well over the legal federal limit, based on a constituency's population and size.

Investigative: Blanchard said that he received no complaints of irregularities during the campaign. He told Mulroney's "There was no apparent reason to believe anything was wrong. I am as surprised as anyone."

The story declined to say who first took the complaint that sparked the inquiry, and local Liberals denied that they were responsible. But Carmichael told Mulroney's chief during last summer's campaign he was dismayed about the cost of Masse's well-oiled and well-equipped campaign, which featured glossy posters and advertisements. Said Carmichael: "I did not complain even though I always believed my adversary, judging by the size of his organization, could not have been doing to the same level as he was."

If Masse, 46, is charged and convicted of "willfully" committing an offence under the Elections Act, he could face a fine of as much as \$5,000 and up to five years in prison. He is being investigated under two sections of the act—Section 81, which sets limits on the amount that can be spent in a campaign, and Section 83, which deals with false reporting of



Bergeron: A depressed town with hopes of improvements from its hardworking MP

election expenses. But Masse confidently declared in his resignation statement that he fully expected to be cleared. And Mulroney indicated in his letter of reply to Masse that if that happened, he would be glad to have the former minister back. With the RCMP expected to conclude its investigations soon, Masse could be back in the Mulroney cabinet promptly if he is cleared.

Many of Masse's constituents say they hope that he will indeed be re-elected. As a member of the Mulroney government's key Privileges and Planning Committee, the hard-working Tory minister had considerable influence, and local residents had anticipated that he would use it to bring new industry to the depressed area. Said Therford Mines Mayor Marc Bergeron: "After all these

years to finally have a minister and someone with real strength in the government and then to see all this disappear in a heartbeat?" For its part, the Quebec province was equally sympathetic to Masse's difficulty. Writing in the Montreal daily *La Presse*, editor Michel Roy said Masse had acted with "courage and integrity" in resigning while there was a cloud over his head.

Impassioned: In the arts community Masse's departure was viewed with alarm by many and undisputed plot on the part of a few. But even his critics agreed that his resignation came at an inopportune time. The minister was in the middle of drawing up new policies, which included proposals to govern the Canadian book publishing and distribution industry and to help return the

country's feature film industry to Canadian control. Perhaps as an immediate reflection of a shift in governmental policy, Industry Minister Sinclair Stevens announced on the day after Masse's resignation that he had approved the \$10-million merger of Classic Bookings (International) Ltd., one of the largest Canadian book stores, with British-controlled W. H. Smith Canada Ltd. Said Brian Anthony, director of the Canadian Conference of the Arts: "We are losing him at a time when we most need his support in the cabinet."

Loss: Only six months ago few members of the cultural community would have considered Masse's departure a loss. The initial critical reaction to the minister was that he had the wrong background for his job. A native first because involved in politics as a follower of Union Nationale leader Daniel Johnson, and in 1968, when Johnson became premier, Masse became the youngest cabinet minister in Quebec history—at age 38—as Johnson's minister of state for education. After Johnson died in 1968, and his party crumbled, Masse drifted to the federal Tories and into the corporate world. By the time Mulroney approached him to run in 1984, he had become a Lavalin vice-president with a salary of more than \$200,000 a year. As communications minister, he angered proponents of Canadian culture in his early months. Last November he ordered a \$75-million cut from the budgets of the CBC and Radio-Canada and \$3.5 million from the funding provided to the Canada Council. Initially, too, many members of the cultural community in Quebec—such as Canada Sound, the francophone minister, with his imperfect command of English, arrogant and insensitive. "Masse enjoyed power," said Timothy Parham, when Masse first as director of the Canada Council. "Some people were scared of him, and some felt they should outshine him."

Ambition: But attitudes toward Masse gradually changed. Said Robert Palford, editor of *Saboteur* Night magazine and a traditional defender of the arts in Canada: "Masse was becoming a very good representative minister. He is extremely intelligent, he has a lot of energy, a lot of ambition. And he was trying to look freshly at the cultural institutions in this country, he didn't just accept the ways things have been done for 30 or 40 years." Now, as the Mulroney government pursues its goals without Masse's strong presence, many of his former enemies hope that he will return to fight another day.

Frontenac's chief returning officer, Blanchard: "I am as surprised as anyone"



—MARCUS REID FOR THE GLOBE AND MAIL
ANTHONY W. H. SMITH in Therford Mines,
MICHAEL ROY in Quebec and
BRUCE WALLACE in Toronto



Masse: His resignation stunned the Canadian cultural community

the Canada Council. "I would love to say, 'Hoorsy, I'm delighted,' but I'm not. I feel for the man. And I feel sorry that it had to happen this way when things were looking rosy."

Worried: Masse made his Commons announcement only hours after RCMP officers armed with a search warrant at his constituency office, on the third floor of an office building on Therford Mines' main street, Notre-Dame Road. After searching the office, the Ministry left, taking documents with them. According to an RCMP affidavit filed in the

History's painful political lessons

It happened in Canada's first Prime Minister's office. John A. Macdonald, just 113 days after he formed the first government. His minister of finance, Alexander Tilloch Galt, resigned on Oct. 22, 1867, refusing the young government and delighting the opposition, which naturally had been asking precisely why Galt's reasons were never fully stated, but they were understood.

But they were understood all the same by those who had served in his cabinet with him—Macdonald for his role in Confederation, and Galt had not. But whatever their motivation, the impact of cabinet resignations—from Galt 118 years ago to Fisher's and Justice Minister John Fraser and Communications Minister Michael Masse last week—rinsed second only to actual electoral defeat on a government's political survival chart. As Eugene Wladan, who served a dozen years in the cabinets of Pierre Trudeau, told Macdonald's last week: "It shakes them right down to their tassets."

Indeed, the intensity of the events of the past week was enough for longtime Conservative observer to wish the New Democratic Party still had staidly Colin Cameron in its midst. Twenty-two years ago, when Liberal Finance Minister Walter Gordon was about to resign and Prime Minister Lester Pearson seemed on the verge of losing a general election in the "Panic" week, he had said: "The heavens take, god you've taken together!" We cannot afford any more of these fallies, any more of these catastrophes, because all the rest of us Canadians have to cringe along with you at the evidence of political events are presenting to the rest of the world.

Scandal: Nothing so intense as a resignation as the loss of scandal. In 1978 Solicitor General Francis Fox was forced to leave after having committed a felony which would have led to his arrest, and resignation. In 1982, after the resignation of Justice Minister John Fraser, Robert Coates, followed dis-

cretion that he had visited a West German strip club. Yet Canada has a decidedly tame history of scandal and resignation compared to most other countries. The usual reasons cited for Coates's resignation paled by comparison to Britain's celebrated and severely scandalous 1962, when State Secretary for War John Profumo resigned after he admitted that he had

about the nuclear policy by Defense Minister Douglas Harkness and the U.S. state department. Diefenbaker demanded a loyalty oath from his remaining ministers and threatened to fight an election over U.S. interference. Harkness and eight other ministers refused to back the Prime Minister and quit.

Stressors: That was the beginning the end for Diefenbaker. In contrast to



Diefenbaker (center) with Pierre Donald Fleming and David Fulton at 1956 cabinet meeting

lief in Parliament against charges that he had lied to 26-year-old girl girl Christine Keeler.

Controversy: A scandal actually brought down a Canadian government in the Commons in 1873. At the time, it was revealed that Macdonald's Conservatives had received \$300,000 in campaign contributions from Montreal railway magnate Sir Hugh Allan, who was building for the contract to build the railway to the West Coast. But other controversies have set the stage for subsequent electoral defeats. In late January and early February of 1963 three ministers abandoned the shaky cabinet of John Diefenbaker in connection with the Prime Minister's reversal of government policy on an agreement to station nuclear weapons on Canadian soil. In a crisis forced by contradictory statements

Macdonald's comfortable majority—211 seats out of the 282—Diefenbaker was forced to cling to power with just 116 members in a 260-seat House. To fight a Liberal "reconciliation motion" on the day after Harkness's resignation, five Tory ministers pleaded with Social Credit Leader Robert Thompson and his 36 followers for support. They got it, but only after promising that they would seek Diefenbaker's resignation. Diefenbaker, however, persuaded his caucus to back him against the five dissenters. As a result, those days later Minister of Trade and Commerce George Hees resigned along with Pierre Sévigny, Harkness's associate minister. Two months later the Tories were out of power, with only 79 members left.

Liberal governments: too, have had their own major problems with resigna-

tions. In 1965 Finance Minister Walter Gordon resigned after the election he had urged Pearson to call did not produce a majority government. Among the other departures was Justice Minister Guy Fauriol, the Prime Minister's chief lieutenant in Quebec. An aide to Pearson had been named in a report as the person behind the 1965 ministerial resignation. The justice minister informed the Prime Minister during an informal discussion that the RCMP was investigating Fauriol. But Pearson had told the Commons that he had not been informed. Later Pearson admitted he had, in fact, been told about the case, claiming that he had forgotten the conversation that he had forgotten the conversation with Fauriol.

And so for the Trudeau years, the long list of resignations still serves as a reminder that a cabinet crisis does not immediately end a government. Between 1968 and 1980 the ranks of the departed included ministers who left because of policy disputes, political controversy, weakness with Trudeau or a desire for new careers. The list includes Paul Hellyer, Eric Kesteven, John Turner, Gerald Pelletier, Jean Marchand, Mitchell Sharp, Bryce Mackenzie, James Richardson, André Ouellet, Bud Derry, Donald Macdonald, Francis Fox, John Munro, Ron Bedford and Roger Stinson.

Clashes: What Liberals seem to do better than Tories in damage control. That may, of course, be directly related to the years of turmoil on the government side. The Liberals have held office for 48 of the 50 years since the defeat of Conservative Prime Minister R.L. Borden in 1905. Tories have had much to practice at governing that it was perhaps predictable that, approaching midnight during last week's emergency debate on banking, Liberal Lloyd Axworthy would echo Colin Cameron. Axworthy (founder of the now-defunct New Democratic Party) said "I don't know."

There is also the solid—and not predictable—point that most Tories are less predictable than most Liberals, so many of whom arrive in Ottawa from across the country. In 1982, after a long absence from politics in part of the Quebec, Rod A. McKinnon, former minister under Joe Clark in 1979-80 "Conservatives are different. They're mostly self-made. They like their own advice. They form their own opinions."

It is the future that worries Brian Mulroney. As he moves further away from the week of the Fraser and Masse resignations, he will undoubtedly have in mind some version of the very advice Alexander Galt once offered but obviously did not follow: "The policy of this government should be to give every possible cause of irritation."

—BOB MACDONALD in Ottawa

A minister in exile

On the morning after cabinet resignations, when the prime minister issued a report on John Fraser's decision to allow the sale of tainted tuna, the 30-year old fisheries minister was sitting with several of his departmental officials. Fraser lightly asked the bureaucrats whether they planned to have lunch, and was roused and decomposed. First elected as an MP in 1972 for Vancouver South, Fraser rose to the top leadership in 1975, but he finished eighth. He held two cabinet portfolios simultaneously in Joe Clark's short-lived Tory government in 1979—an environment minister and postmaster general. After the government's defeat Fraser remained a strong supporter of the former prime minister. Said Jacob Brower, a Tory fund raiser in Vancouver who has known Fraser since 1974: "His devotion to Clark was almost fanatical. His personality. It was based on loyalty. Some of us in politics are a little more hard-nosed than that."



Fraser surprised by the angry outcry

who recalled that episode last week noted, Fraser seemed oblivious to the potential political repercussions of the intervention program. "He didn't realize," said the official, "that at 8 p.m. in Question Period the opposition was going to hang him."

Pushed: Indeed, even after he resigned last week Fraser seemed puzzled by the furious public outcry over the tainted tuna affair. Only a few hours after the Prime Minister's Office announced that he was stepping down, Fraser held a farewell reception in his office for about 40 officials of the fisheries and oceans department. Said one civil servant: "He still maintained that he didn't do anything wrong."

The commentators of Fraser's downfall revealed much about his character. Friends describe Fraser as impulsive,

careless, dedicated to looking after the interests of whom they refer to as "the little guy" and (initially) of the federal bureaucracy. In the tuna controversy, many of those traits were evident. He decided that instead of jeopardizing the jobs of 400 workers at a New Brunswick cannery, it was better to release for sale tainted tuna. "His devotion to Clark was almost fanatical. His personality. It was based on loyalty. Some of us in politics are a little more hard-nosed than that."

Spies: As fisheries minister Fraser pledged to most fishermen to address their problems. But they claimed that they did not always happen. Allan Biddle, executive director of the 7,000-member Fisheries Federation, said that Fraser's worst fault was "trying to please too many people all of the time. That got him into trouble." Added Fred Penland, president of the Pacific Fishermen's Association: "He had too much work to handle—too much stress." Indeed, colleagues said Fraser was often discouraged and found it hard to relax. Last May his health and behavior were the subject of news reports during a visit to Vancouver.

Fraser's downfall was a dramatic reminder to many of the brutality of national politics and the fragility of power. In 1982, after Fraser's defeat, Doug Gault, for one, said that even minister worries about becoming embroiled in a political controversy. "Many of the judgments you are called upon to make," said Gault, "are not 90 to 10 or even 80 to 20. There are the tiny ones. The real hard ones are 51 to 49. For my part, Mary Gault, a vocal Conservative MP from Vancouver who regarded Fraser as a mentor, said that the former minister did the proper thing by resigning. But she added, "It makes you think, there but for the grace of God go I."

—PHIL GIBBELL, in Ottawa with JANE O'HARA in Vancouver and GILES WOOD in Dallas

Wilson's rites of passage

For months the proud and powerful mandarins of the federal finance department watched their minister lose a series of cabinet battles. Michael Wilson failed to stop expensive government spending projects like the \$15-billion rescue package for the Montreal petrochemical company Petro-Canada last October. He was unable to achieve his objective of removing the universality of social programs. And his cabinet colleagues fought his efforts to reduce their department's spending. Then, one senior minister telephoned an outside consulting firm to seek advice on how to improve Wilson's standing within the government. The consultant replied that there was nothing he could do. "It was almost an unmitigated plea of 'help, help,'" the consultant told Maclean's last week. "But the operating philosophy of this government is different from other governments. Mike does not have authority to impose his views."

Indeed, informed sources say that one of the major problems facing Prime Minister Brian Mulroney's government is the finance minister's lack of political power. When the Conservatives were elected last year they declared that their relationship with the business community was needed. Nearly 12 months later many members of that constituency are disillusioned—and skeptical that the government will make significant reductions in this year's projected deficit of \$28.5 billion. They believe, say, that Wilson clearly wants to make the spending cuts but that Mulroney insists all changes take place gradually—and with minimal conflict.

Mishaps: At the same time, Wilson himself has been involved in a series of public mishaps and reversals. Even the storms surrounding last week's cabinet resignation did not obscure his political problems because the opposition continued to attack the federal decision to rescue the now-defunct Canadian Commercial Bank (page 40). "They are not even listening to the business of business to become the way they said they would," declared Adam Zimmerman, president of Noranda Inc., a Toronto-based mining company. "We do not feel betrayed—just significant disappointment."

Still, Wilson is not without defenders. They praise his integrity, his solid intellect and the soundness of his economic views. But like a surprising number of



Wilson at Ottawa last week; d'Aquila (right) lack of political power

his critics, they display a marked reluctance to have their comments attributed directly. One exception was Zimmerman, who went out of his way to praise Wilson. "He is a fine fellow—a real ribber."

But last week details of the \$150-million bank rescue continued to echo in the Commons. Although insiders say that Wilson had serious doubts about the wisdom of the rescue, evidence last week indicated that he gave more credence to the beleaguered bank's executives than even the six major banks felt was justified. Toronto Dominion Bank chairman Richard Thomson, for one, told the Commons finance committee that the six major banks recommended replacement of the CCB's management last March—but the government, he said, refused to act. As well, Ottawa accepted the CCB's account of the

account of its bad loans, although the banks wanted to perform an independent audit. Even Wilson's own officials opposed the package, sources say.

When the bank finally collapsed on Sept. 1, Ottawa was faced with the need to raise at least \$1 billion to cover the deposits. "Wilson is getting battered around something fierce," a well-connected Tory MP said last week. "Mike suffers from a big problem: he is too trusting. Many people are beginning to think that he is not tough enough or street-smart enough to handle his portfolio."

Judgments: Those problems are exacerbated by the fact that even Mulroney apparently does not trust his minister's political judgment. Sources say the Prime Minister and members of his office staff often intervene in major decisions that are traditionally left to the

finance minister. For one thing, Wilson and in March that his May budget would not resolve a general tax increase because it "puts a dampening effect on the economy." Then he increased the tax burden on corporations and individuals. Members of some lobby groups report that during the pre-budget consultation efforts in the Prime Minister's



Office encouraged them to make presentation to them as well as to finance department bureaucrats.

Insiders add that Mulroney's senior policy adviser, Charles McMillan, played an extremely active role in shaping the budget. And they say that McMillan's recent loss of stature in an office shuffle is partly a result of his decision to support the budget proposal

now say that promoting economic growth is a better way to reduce the deficit than cutting programs. As a result, they insiders predict that Ottawa will not move more than \$1 billion from government spending in the next budget—expected in January or February.

Cuts: Many business leaders say that the next budget is the government's last chance before another federal election, in 1988 or 1990, to get the deficit under control. As a result, they are planning to press throughout the fall for bigger cuts. Said Thomas d'Aquila, the president of the International Business Council, an Ottawa-based association of business: "We use the language to the next budget as the last opportunity in this government's mandate to really do something to make a difference in the deficit. We are asking for \$4 billion in cuts and we want \$4 billion, and if we do not get \$4 billion we are going to be disappointed."

Those business community arguments clash with Mulroney's strategy of "gradualism." Private Tory polls show that Canadians approve of Mulroney's

attempt to reduce conflicts. To that end, Mulroney has not cut or increased the public's economic involvement—and create a widespread demand for deficit reduction. That may be a difficult undertaking. A Gallup poll released last week indicated that 66 per cent of Canadians feel that reducing unemployment should take priority over balancing the budget. Unless Mulroney can make spending cuts more popular, Wilson will not likely be able to make them.

Mistakes: Wilson has made mistakes of his own during his first year in office. The finance minister gave Canadians a lifetime exemption of \$80,000 from capital gains tax. But, as federal finance critic Donald Johnston pointed out, that exemption does not exclude foreign transactions or even profits from the sale of such items as art works or patents. Added Johnston: "It has to be the simplest proposal I have ever seen. There is a real incentive to sell—and as incentive to invest in productive assets."

Many mainstream Conservatives also said they are concerned that Wilson is not in touch with the needs of average Canadians. They declared that if the minister were free to follow his instincts, spending cuts might be so deep that unemployment would skyrocket.

New Democratic Party finance critic Brian Bin said that Wilson's outlook is severely limited. "He is the Clark Kent of Bay Street who must never get out of the telephone booth," said Bin. "I do not believe that Michael knows what it is like to be in a business in Kitchener who has lost his business—and that is going to result in an increase in demand."

Wilson's defenders say that the minister has changed the direction of the government—and has won some rarely noted victories. They point to such initiatives as a review of unemployment insurance, a budget increase passed on the corporate tax system and the budget managers to encourage the entrepreneurial spirit. Said one Wilson supporter: "No one could have matched the unrealistic expectations of the business community, so no one can notice how much he has done. He has made in the attitude of government to business."

Another Tory insider added that the government's gradualist approach has created problems for Wilson because, although unemployment and interest rates are declining since the October 1986 office, "sometimes when you get there nobody knows you are there." Wilson's supporters still say that he will eventually get credit for an upturn in the economy and for his pro-business attitude. "He not write him off too soon," they say. "The turtle was the race."

—MARK JANVIAN in Ottawa with ANN WALKLEY in Toronto



Business disappointed



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Free trade: the first step

A s hour and a half before he announced that his government will seek a new trade accord with the United States, Prime Minister Brian Mulroney picked up the telephone in the study of 86 Sussex Drive and placed a prearranged call to President Ronald Reagan. His message was one that the U.S. leader had been waiting for after studying the issue for almost a year, Canada was ready to negotiate a more liberal trading agreement with its next neighbor. Then, Reagan swiftly agreed to seek congressional approval for the talks. Only then did Mulroney go to the Commons, where he later delivered a

cleared New Democratic Party Leader Ed Broadbent: "What we have here is a premature step of profoundly historical significance." Both were called for a full-scale national debate before any negotiations with the United States begin.

The Tories, however, took several steps to allay public concern. Background documents tabled in Parliament along with Mulroney's statement emphasized that although Canada was eager to begin bilateral trade talks with the Reagan administration, "it is not committed to concluding a trade agreement." The documents added that any



Peterston (left), Mulroney's former request for talks on removal of trade barriers

remarkably low-key speech. Scarcely hinting at the historic nature of the occasion, Mulroney vowed to seek "the broadest possible package of mutually beneficial reductions in tariff and non-tariff barriers"—while at the same time safeguarding Canada's political, economic and cultural sovereignty.

By deliberately de-emphasizing the historical dimension of free trade with Canada's main trading partner, Mulroney was clearly attempting to avoid arousing public opposition. But the Prime Minister's statement swiftly drew fire from the Liberals and New Democrats, who denounced the plan as premature and obscure. Liberal Leader Jack Turner said that the declaration was "very thin gruel indeed," and he added, "We have to go into these negotiations with our eyes open." De-

agreement would be ratified only if it "served the interest of all Canadians and stimulates growth in all regions." In addition, International Trade Minister James Killebrew said that regardless of the outcome of Canada-U.S. negotiations the conversion of Canadian trade policy would continue to be Ottawa's commitment to the multilateral system established by the General Agreement on Tariffs and Trade. That 88 nations body was set up in 1948 to encourage a broad liberalization of world trade.

The Tories had also planned to issue a strong statement on Canadian cultural sovereignty to coincide with last week's trade announcement. But that initiative had to be set aside after the sudden resignation of Communications Minister Marcel Masse. A proponent of nationalist-cultural policies, Masse is be-

lieved investigated for irregularities in an election campaign spending.

Mulroney now has to try selling the trade proposal to the parliamentary opposition, to interest groups whose members say they fear for the future of weak industries and to Ontario Premier David Peterson. Peterson is alone among the provincial leaders in publicly expressing serious reservations about the free trade initiative. To allay his concern, Mulroney sent Killebrew to brief Peterson privately on the government's plans last week before making his public announcement. Following the meeting the premier appeared to take a more conciliatory position. The need to offset protectionist pressures in the United States, he said, was "a compelling argument for at least starting to talk." In Washington the response to Mulroney's position was generally favorable. Only a day earlier a group of senior Republicans in the House of Representatives had issued a proposal calling for the establishment of a Canada-U.S. free trade zone "as soon as practicable." And even among Democratic representatives—the firmest proponents of measures to shield U.S. industry—there was no immediate sign of strong resistance to trade negotiations. Declared U.S. Trade Representative Clayton Kretzmer, whose staff consulted key members of congressional trade committees after Mulroney's speech: "We certainly are not indications of opposition. In fact, most people greeted it with enthusiasm. I don't know why Canadians are so nervous about this."

Yetter added that Canada, not the United States, would probably be the major beneficiary of a two-way trade agreement. He added "There's a much greater potential for export growth in Canada. It's an enormous opportunity for Canadian industries to gain access to U.S. markets."

Still, it is far from certain whether an agreement will ever be reached. For one thing, Congress has 60 days to reject Reagan's proposal for trade talks, and observers say that both the Senate and the House will hold hearings on the issue because of the number of congressmen who want to air grievances on trade matters. If that hurdle is cleared, Mulroney himself has estimated that it could take two years of negotiating just to reach a draft agreement. At that point Canadians will have to decide for themselves whether they share the vision of the future that Reagan expressed last week in his Washington speech. "We seek," the President said, "to include everyone in the success of the American dream."

—MICHAEL BAKER is Ottawa with MARK MCNEIL and WILLIAM LOWMEYER in Washington

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Mexico measures its loss

Day and night they worked—50,000 Mexican volunteers and teams of firemen, doctors, nurses and engineers from a dozen countries. Carefully removing slabs of fallen concrete, they pushed through the ruins of the worst internal disaster in Mexican history—two massive earthquakes, 36 hours apart, that devastated the central core of the world's largest city. But as the days passed, hopes for finding survivors in the rubble faded rapidly. Then, against the odds, rescue teams—and millions of Mexicans—were encouraged by the apparently miraculous "walk-out" babies, young men and old women pulled alive from the wreckage. "For water, I drank my tears," said Maria Concepcion Carmen Salinas, recalling how she survived the ordeal. "Suddenly, I saw a light. It was the Virgin Mary I noticed but if I would live to see my daughter again. And she smiled."

The census of four infants late last week were particularly heartening. "Ninety-per-cent survive," said one Mexican media, explaining how the babies had lived seven days without nourishment. But the joy was tempered by the grim legacy of the quake on Sept. 19 and 20 (A smaller quake on the weekend caused panic but little damage.) Last week, as emergency aid poured in from more than 180 nations, officials said 5,000 people had been confirmed dead. Diplomats in Mexico City said the final figure would probably be twice as high. Another 100,000 Mexicans were homeless, about 30,000 were injured, and 10,000 were still missing. Dead-stricken relatives wandered through the city's main baseball stadium, trying to identify deceased parents, children and friends from the bloodied remains of corpses. Others waited in vain for another miracle. "I have been here since it happened, but there is nothing," said Lijina Blazo, 20, as relief workers dug through the rubble of a hospital where her 35-year-old brother, a medical resident, had been buried.

The statistics on property damage were even more staggering. An estimated 550 buildings were either totally destroyed or on the verge of collapse. Another 700 sustained severe structural damage and will be demolished. The scale of the disaster, said one U.S. official, "probably translates the \$10-billion figure." Billions of dollars will be needed to rebuild. Still, as one Mexican banker noted last week, the earthquake



Rubble workers sifting the debris of the killer quake: lack of coordination

"could be a blessing in disguise." At a stroke, they have provided Mexico's President Miguel de la Madrid with an opportunity for major economic reform.

But most experts say that Mexico, burdened by a \$97-billion (U.S.) foreign debt, is unlikely to qualify for the new commercial bank loans needed to pay for redevelopment. And the government's past economic performance has not been encouraging. Under de la Ma-

der, a young mother of three living in the half-destroyed slum of El Tepito. "Nobody helped us. We helped ourselves." Some Mexicans said the city authorities were alarmed at the spontaneous display of the population's own energy. Worst Miguel Angel Granados Chapo, a leading political commentator. "People getting agitated, speaking for themselves, finding if only spontaneously, that they were capable of making demands—these are

receiving permission to travel. "When we arrived it was already too late," said Gilbert Calhoun, a French freighter. "Had we arrived sooner, 300 or 500 more might have been saved."

At well, there was controversy about whether tax government officials had violated strict building codes by permitting inferior construction. Just down the block from new structures completely destroyed by the quake, older buildings were unscathed. At the former Inter-



Search dogs sniff for human scent identifying corpses in recurrent effort (below): a spontaneous expression of Mexican solidarity



and, senior financial officer Alejandro Ramirez said, "There have simply gone from bad to worse."

Last month's quake, which officially registered 8.1 and 7.5 respectively on the open-ended Richter scale, seemed to bring out both the best and the worst features of Mexican society. While thousands devoted days of hard labor in solidarity with victims, some merchants in hard-hit zones of the capital were profiting from illegal price increases for basic foodstuffs.

The eagerness of ordinary Mexicans to help each other contrasted sharply with the government's apparent inability to deal with the crisis. "The police didn't help us," complained Celia Marti-

not the sort of people I don't by heartbreak, who would a population to stay quiet and obey."

An effort to find trapped victims began to wind down—most under ideal conditions the human body is unlikely to survive more than 12 days without water—goodwill was strained by accusations between exhausted Mexican soldiers and technical crews from abroad. Spokesmen for several foreign rescue teams, including Canada's 14-member contingent, complained that Mexican authorities had sent them to areas where their efforts would be wasted. And the government's initial reluctance to accept foreign aid probably cost lives. One French team waited three days before

hole Palace, once the residence of a 19th-century despot and now a bank, a watchman remarked, "Here, not even a pen rolled off the desks."

Meanwhile, international lending agencies will meet this week in Madrid to discuss emergency aid for Mexico. The rest to be decided will be whether he uses new credits to make changes so easily to patch up the cracks in Mexican society. The earthquakes offer an instructive lesson. The capital was full of buildings papered over after previous earth tremors. Most are now in ruins.

—MICHAEL FISHER with BEN KLOPP ROBINSON and ERIC HANCOCK in Mexico City

How the Soviets deflected the fire

In public he was clearly aware of the swarms of photographers, readily smiling for their cameras. In private, he sat with his cards in his lap to make up for the fact that he had only been on the job 19 weeks. Then, last Friday morning Soviet Foreign Minister Eduard Shevardnadze leaped across the space separating his ivory throne armchair from Ronald Reagan's in the

White House Oval Office and suggested, should not back all offensive armaments by 50 per cent. Replied Reagan, during his weekly radio broadcast on Saturday: "We welcome that. There is no reason why nuclear disarmament begin promptly." However, he insisted that Star Wars research would proceed.

Washington officials had expected Shevardnadze to brief Secretary of

State, however, it was clear that both Washington and Moscow were still looking to gain propaganda advantages in advance of the Nov. 19-20 Reagan-Gorbachev summit in Geneva. In his maiden speech to the General Assembly, Shevardnadze, 51, portrayed Moscow as a reasonable peacekeeper. "We have never been the initiators of confrontation," he said. Describing Star Wars as an attempt "to pin military superiority in the nuclear age," he countered with a proposal for international co-operation in space cleverly nicknamed "Star Peace." Said Danish Foreign Minister Uffe Ellemann-Jensen: "He seems to be employing one of the better Madison Avenue firms."

Shultz, who spoke one day earlier, was equally effective. Describing Soviet objections to U.S. strategic defense plans as "one-sided propaganda, not to be taken seriously," he noted that Moscow has spent as much on defense systems in the past 10 years as it has on offensive forces.

The propaganda battle for public opinion will continue this week when Gorbachev makes a three-day official visit to Prague. It is his second trip to Western Europe in less than a year: last December, before he succeeded the late Konstantin Chernenko as general secretary, Gorbachev paid a successful working visit to Great Britain. In the months since his accession, he has taken control of the Soviet Politburo, the key decision-making body, placing layabouts—Shevardnadze among them—in positions of power.

In the meantime, analysts last week expressed satisfaction that the Soviets had finally unveiled a serious counterproposal for the Geneva talks. As he escorted Shevardnadze to his waiting limousine, Reagan was asked if his meeting had produced real progress. Declared the President: "There's always progress when you're talking to each other."

—MARTIN DONOFRIO—
Washington



Reagan and Shevardnadze in the Oval Office. Moscow takes a new offer

White House Oval Office and handed the President a personal letter type-written in Russian from Soviet General Secretary Mikhail Gorbachev. Although both the Americans and the Soviets declined to reveal the contents, a Kremlin spokesman said that the document contained a "concrete" new proposal which will be tabled by Moscow's negotiators at the third round of arms talks in Geneva this week.

Even before Shevardnadze began his first visit to the United States—with four days of talks at the opening sessions of the United Nations in New York—Reagan administration officials had anticipated the basic outline of the Gorbachev letter: radical reductions of up to 50 per cent in nuclear weapons in both countries in return for Washington's agreement to limit its Strategic Defense Initiative (SDI)—popularly known as Star Wars—to fundamental research. But the new Soviet offer, in response to a U.S. proposal that both countries reduce nuclear armaments by up to 50 per cent, exceeded U.S. expectations.

State George Shultz in detail during his 4½-hour meeting in New York on Wednesday. That had been standard operating procedure for the new foreign minister's predecessor, Andrei Gromyko, elected last July to the presidency of the Soviet Union. Instead, Shevardnadze declined to disclose the new Soviet proposal, raising concerns among U.S. officials, who speculated that Moscow might have suddenly changed plans. Even during his three-hour visit with Reagan, the former Communist party boss for the Soviet republic of Georgia had offered only a broad outline of the offer. Said Shultz, emerging from an official lunch in the White House dining room: "I will not characterize it other than to say it is a change in their position." Per much of the

Shultz at UN propaganda



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'Room for agreement'

After attending last week's United Nations opening British Foreign Secretary Sir Geoffrey Howe flew to Ottawa for a brief official visit. There, he greeted Maclean's correspondent Wilfred Maclean in a cordial and intimate Soviet manner.

Maclean's: The arms control talks in Geneva appear to be in limbo. Where can we find a model?

Howe: The talks in Geneva will receive an additional impetus when President Reagan meets Mr. Gorbachev in Geneva later this autumn. We want them to lead to specific agreements—effective measures in the level of arms. The President's meeting with Mr. Gorbachev can play its most important part if it gives a clear indication of where the talks are, most fruitfully, to go. One can't expect the meeting to arrive at a considered, precise agreement, but one can hope that it will identify the areas in which negotiators can seek progress.

Maclean's: What are you looking for in terms of conclusions on verification and the U.S. Strategic Defense Initiative—Soviet style?

Howe: It is a very natural, effective arms control agreement, there have to be workable arrangements for verification. Star Wars is a form of shorthand that confuses people rather than clarifies. The important thing to understand is that both sides have been engaged in research in this area in the field. We take the view that American research is a prudent and necessary response to what the Soviet Union has been doing for many years.

Maclean's: Do you think agreement is possible in Geneva?

Howe: Not only is there room for agreement, but we think it's most important, for research to be continued for effective agreements—not simply confined to strategic weapons or nuclear weapons—but also on chemical weapons.

Maclean's: Has the recent definition of spies in the Eastern Bloc eroded the actual trust of Western intelligence agencies?

Howe: I have no reason to think that. We have had a major definition from the east to the west in recent weeks, and that has enabled us to improve our security by expelling a number of Soviet agents.

Maclean's: Moscow matched your expulsion move for us. What did that tell you about Mr. Gorbachev?

Howe: I am not going to speculate on that, save to say that the action we took was wholly justified in the interests of national security and that the responsive action by the Soviet Union could not be justified in the same way.

Maclean's: What effect have the Soviet relations had on the U.S.-U.S.S.R. relations?

Howe: It's bound to interrupt the search for the improvement of relations. But it was made clear at the meeting I had with Mr. Shevardnadze, the Soviet foreign minister, on Monday that both sides now wish to move a line under that set of exchanges.

Maclean's: Can the Reagan administration head off the potentialist steamroller in the U.S. Congress?

Howe: It's most important that we all meet the risk of rising protectionism. I have no doubt that the U.S. administration wants to do everything it can to achieve that. It's not the only government in the world that faces pretty strong pressure from its legislature for action of a protective kind.

Maclean's: Britain has invited a group of Palestinians to London for talks. Are you preparing the ground for Washington to make a similar move?

Howe: Our decision is designed to encourage the group of people in the PLO that has repudiated violence and terrorism. If by doing that we can encourage others to take similar steps we shall be very pleased.



Howe: A prudent response



A sailboat is rocked in Massachusetts while a car is stuck by high waters in Maryland's Atlantic coast

THE UNITED STATES

Hurricane Gloria's mighty blow

As the storm first began to rise off the coast of South Carolina, the U.S. National Weather Service dispatched reconnaissance aircraft to examine the threatening storm. At the same time, experts pored over satellite photographs and radar data to measure the gathering hurricane's size. Their verdict: immense. Then, they swiftly labeled it a Category 4 hurricane—the worst to roll in from the Atlantic since 1935—and warned of approaching winds of 130 to 150 m.p.h. and storm seas of nine to 12 feet in coastal areas. Practically, authorities posted hurricane warnings along the coast from South Carolina to Massachusetts, a distance of 1,500 km. And residents boarded up homes and businesses and sought cover as Hurricane Gloria battered and flooded coastal communities from Atlantic City to New York City before dissipating in New England and the Bahamas. The sweep left at least seven people dead and millions of dollars worth of damage in its wake.

Gloria was born on Sept. 15 in the Atlantic Ocean, off the coast of West Africa. Its origins were in the warm ocean waters that evaporate into the mid upper atmosphere over the Cape Verde Islands. There, the moisture condensed and swirled downward in a tropical spiral that spread out in powerful winds. From the tropical seas Gloria

quickly picked up energy equivalent to all the electricity generated in the United States in six months. At times, the winds squaring out of its furious center actually reached speeds of 130 m.p.h. Hurricane experts said Gloria's force was equal to that of 1965's Hurricane Hazel, which killed 38 people in the United States and another 83 in and around Bermuda. Adding to the storm traders' problems last week were Gloria's unpredictable movements. Hurricanes, the typhoons, are notoriously erratic, changing direction unexpectedly, sometimes even doubling back on themselves.

Thundering by Atlantic City on a jagged northwesterly path on Friday, Gloria snapped off part of the gambling center's famous boardwalk and blew in high-rise hotel windows. As it approached New York, Gov. Mario Cuomo declared a state of emergency, effectively shutting down the city's John F. Kennedy International Airport, one of the nation's busiest. In downtown Manhattan several skyscrapers, including the twin 110-story World Trade Center towers, were closed for a day. Cuomo was concerned that elevator cabins might slip in the violent air-pressure changes caused by the hurricane. Urging New Yorkers to be careful, Cuomo warned: "This isn't a television scene. This isn't the dragons in a Japanese mo-

vie." Then, as the storm's center bypassed the metropolis, the city's mayor, Ed Koch, declared, "We scared the hell out of the hurricane and it went elsewhere."

Elsewhere was Long Island, with its concentration of bedroom and resort communities just east of the city. In 34 hours 15 m.p.h. of rain fell and thousands of acres were eroded by fierce winds. Tumbling power lines left 600,000 homes in the region without electricity as the week ended. And residents of Long Island's weak seaside resorts said that wooden shingles were torn away from their million-dollar mansions.

By late Friday, Gloria began losing strength as it passed inland through New England cut off from its supply of warm ocean water, its winds began to subside dramatically, and the last of the heavy rains fell on Massachusetts, New Hampshire and the Maritime. By Saturday morning Gloria was downgraded first to a tropical storm and then to a low-pressure system. But there was also a marked increase in both along the hurricane's route—a phenomenon attributed to debris being soaked by low barometric pressure. And Gloria seemed destined to become a companion seas among the infants in the region.

—JAMES MITCHELL, with correspondent reports



8th candidate in the Punjab going to the polls: strengthening the moderates

INDIA

A vote against violence

More than 100,000 paramilitary troops stood on full alert. The Indian prime minister, Rajiv Gandhi, wore a bulletproof vest and addressed crowds from inside a seven-foot-high cage of protective glass. Candidates campaigned with a phalanx of armed guards. And the elaborate security system worked: Despite random car bombs during the month-long campaign and sporadic polling-day violence, last week's election in the Punjab—the 133 seats in the state legislature and another 12 in the national parliament—was a resounding success. Defying warnings by Sikh extremists to boycott the vote, some 60 per cent of the Punjab's 11 million eligible voters cast ballots. In the end, the nation's deputy election commissioner called it the most peaceful election ever held in India.

The results of the vote, the first in the Punjab since 1980, were equally comforting to fans of Sikh moderation. For the first time, the moderate Sikh political faction Akali Dal won an outright majority, capturing a record 73 seats in the state legislature. The main loser was Gandhi's own Congress (I) Party, which dropped 41 seats. But despite his party's setback, political observers said Gandhi was not disappointed; the verdict will allow Sikhs to govern their own affairs. Indeed, the prime minister's low-key campaign—and his state of indifference to candidates—seemed designed to encourage the Akali Dal's chances.

Led by 59-year-old lawyer Surjit Singh Barnala, the Akali Dal is pledged to preserve the Punjab's place in the

world's largest democracy. But Gandhi's real opponents in the election—although they boycotted the actual balloting—were Sikh extremists, who have been waging a protracted struggle to secede from the Indian federation and form an independent state, to be known as Khalistan. In 1985 the rising tide of terrorism prompted Gandhi's mother, Indira, who was then prime minister, to dissolve the Punjab legislature and impose direct rule. In 1984 she sent the Indian army into the Golden Temple at Amritsar, Sikhism's holiest shrine, to root out terrorists. Four months later Gandhi was assassinated by her own Sikh bodyguards.

On gaining office, Rajiv Gandhi cited the Punjab crisis as his top domestic priority. In effect, last week's vote was a referendum on a July 24 agreement that Gandhi had reached with Barnala's predecessor, Harbhand Singh Longowal. The accord called for new elections and a gradual devolution of power from New Delhi to Chandigarh, the Punjab capital. Three weeks after the pact was signed, Sikh terrorists assassinated Longowal as he sat at prayer. Still, Gandhi insisted that the elections be held, gambling that the vote would strengthen in the hand of the moderate Akali Dal, the only faction capable of denying Sikh terrorism grassroots support. But having won his wager, Gandhi's next challenge will be to deliver on his promise of increased Punjab autonomy.

—MICHAEL POMERAY with newspaper reports

THE SOVIET UNION

Another spy crosses over

He arrived in Rome on July 25 for a 10-day assignment. But when Vitaliy Yurchenko, a highly ranking CIA official, left the home of the Soviet ambassador for a tour of Vatican museums on Aug. 3, he did not return. Instead, U.S. officials confirmed last week, he sought asylum in the West. Yurchenko, 38, apparently supervised the KGB's U.S. operations, making him the most senior Soviet agent to defect in years. If he provides the information that the CIA expects, he will have given the West a major intelligence windfall.

Already, according to U.S. officials, Yurchenko has identified several Soviet spies employed by the CIA. Such the agency and the justice department promptly denied that report, but a congressional source said that Yurchenko had named "more than one and less than six" former CIA employees who had worked for Moscow—and recently fled the country. If true, the allegations would confirm long-standing suspicions that the agency had been penetrated by "moles." CIA defectors must now establish whether Yurchenko is a legitimate defector or is a double-agent still working for Moscow.

In the meantime, Yurchenko has identified dozens of other Soviet agents around the world, according to U.S. sources. These revelations—and his portrait of the inner workings of Moscow's espionage apparatus—provided Western spy masters with a major morale boost, particularly because it followed the defection of KGB officer Oleg Golenitsky in London three weeks ago. Recently, seven Eastern Bloc spies in West Germany have fled to the East, including Hans Joachim Tiedge, a top counterintelligence officer. In fact, Yurchenko may have precipitated Tiedge's own flight. According to the Milan daily *Corriere della Sera*, Moscow is urgently recalling agents working in the West, to avoid exposure by Yurchenko.

U.S. officials also acknowledged last week that a senior Soviet military intelligence officer, Sergei Shchukin, defected in Athens last May, providing details of Moscow's infiltration of the Greek government. Still, experts voiced caution in assessing the latest defections, especially Yurchenko's. Said one retired CIA official: "With defectors, you never get what you appear to see. Others have told us about moles in the CIA. We have never found them." □

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Hope for a divided land

The North Korean teacher stood before his 65-year-old mother for the first time in more than 30 years. "Mother," he said, "here is your son." The old woman, who has lived in South Korea since the end of the 1949-53 war, stood silently for a moment, then burst into tears. Such scenes were played out repeatedly in both Seoul and Pyongyang last week, as families long separated by hostile governments had brief but avidly anticipated visits involving only 100 of an estimated 20 million family members separated by the 1945 sealing of the border, the exchange program is only one aspect of a recent improvement in relations between North and South. By contrast, talks between politicians from both sides broke down after two days of negotiations intended to set up an inter-Korean parliamentary conference.

In Seoul the diplomatic corps buzzed with rumors that North Korea's foreign minister, Ho Doo, had paid a clandestine visit to the South Sept. 4-8. His mission: to make arrangements for a secret meeting between North Korean leader Kim Il-sung and South Korean President Chun Doo Hwan—the first between Korean heads of state in 40 years.

A summit would improve the images of both leaders. For Kim it would be the climax to a year-long campaign that Seoul has dubbed "active diplomacy." It was suggested to reject his regime's reputation after a 1985 bookling in Buenos Aires attributed to North Korean terrorists—that killed 17 South Koreans, including senior members of Chun's cabinet. It would also enhance Pyongyang's chances of attracting foreign investment. Western analysts say that the North's centralized economy is lagging 30 years behind the booming South's. At the same time, a summit would improve Chun's chances of persuading North Korea as well as China and the Soviet Union to attend Seoul's 1990 Summer Olympic Games.

Still, even during last week's jitters, family reunions, each side accused the other of trying to prevent the development of better relations. The underlying tension, observers say, will ensure that the road to national reconciliation on the Korean peninsula will be long and obstacle-filled.

—PETER MCKEL, in Seoul



Fabius: the Greenspace after themselves to support France's government

FRANCE

Mitterrand's challenge

Of French President François Mitterrand, the Greenspace scandal is a nightmare without end. The forces over the making of the environmental group's flagship, Rainbow Warrior, in Auckland harbor July 10, has already forced the resignations of Mitterrand's minister of defence, Charles Lhuissier, and the dismissal of Adolphe Laurent, head of France's foreign intelligence service. But even these political sacrifices have failed to quell the uproar over just which government official issued the order to sabotage the Rainbow Warrior. Declared the following day *L'Express* in a banner headline: "Still the doubts."

The belated admission of the government's responsibility last week by Mitterrand's prime minister, Laurent Fabius, failed to end the controversy. Putting the blame on Lhuissier, Fabius offered what he called "the crucial truth": that French secret agents had been acting on orders when they placed sodium mines on the hull of the Greenspace ship. But Fabius insisted that neither he nor the president had known of the plot in advance, a claim that some French newspapers and members of Mitterrand's own Socialist Party disputed. Rod Albert Sney, a former education minister, "In a matter as serious as this, military personnel could not have acted without approval at a very high political level."

Indeed, there was renewed speculation last week about why Fabius was anxious to stop the Rainbow Warrior from leaving a flotilla into the French nuclear testing grounds at Mururoa. And A

monthly military journal declared that France is testing a new generation of artillery-directed missiles, both warheads. Military officials apparently warned Paris six months ago that Greenspace would attempt to disrupt the tests. According to the *Paris Daily Le Monde*, at least three crews of French agents may have participated in the Greenspace bombing, which resulted in the death of one crew member.

Despite the recent last week of five refuges was charged with leaking information to the press, the crisis continues to deepen. A public opinion poll released last week indicated that 58 per cent think the government had about the Greenspace bombing and that Mitterrand knew about it all along. To ally public concern the president last week appointed Gen. René Hirsch to head the court-martial and ordered him to investigate it. Even before the scandal broke, most Socialists were convinced that the party could not win a majority in next spring's national elections. But his supporters have now begun to question whether Mitterrand himself can survive. And the president's defence—that he was not informed of the bombing—only compounds his case because it suggests that he had lost control of the military. Commentator Jacques Chaban-Delmas, a Gaullist former prime minister and frequent supporter of Mitterrand, "The credibility of France has been damaged, and with it the credibility of the president."

—BERND KUSCHEN in Paris



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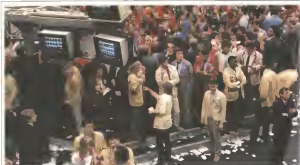
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BUSINESS/ECONOMY

Planning the dollar's fall

For more than three months the plan was formulated in the utmost secrecy, and when it was revealed the surprise was almost total. On Sunday, Sept. 25, top central bank and economic officials from the Group of Five—the United States, Japan, Germany, France and Great Britain—held a press conference in New York City's Plaza Hotel. There they announced that in order to avoid an international trade war they intended to act in concert to drive down the value of the U.S. dollar. The Group of Five's action, which was engineered by the U.S. treasury department, reversed President Ronald Reagan's long-standing policy of avoiding intervention in the currency markets, and the impact was immediate. Then, a wave of panic selling by currency traders who feared being stranded with large holdings of dollars knocked the greenback down by five per cent against major foreign currencies as the bustling Chicago Mercantile Exchange and other currency centers. It was its biggest one-day drop in the 19-year history of floating exchange rates. What helped the Canadian dollar to rise two-thirds of a cent to close at 73.49 (U.S.) said Peter Rogers, chief dealer in New York for the Bank of

Switzerland. "When the markets opened, there was only one thing to do: sell dollars." The timing of the Group of Five's announcement was clearly politically oriented. On the following day—Monday, Sept. 26—Reagan delivered a major speech on trade policy that, coupled with the action to drive down the dollar, would make American products more competitive abroad and that was widely interpreted as an effort to slow the quickening protectionist

tion of the United Nations General Assembly in New York. At that meeting leaders of struggling Latin American debtor nations called for new ways to handle the international debt crisis. Because those nations rely heavily on export earnings—particularly to the United States—to pay their debts, rising protectionist barriers would seriously harm their ability to pay their loans. Said Lloyd Anderson, chief economist for the Bank of Montreal: "With this

display, the global debt crisis is being moved to the center of the stage." In Ottawa opposition parties criticized the fact that Canada had not been invited to the Group of Five meeting. NDP spokesman charged that Prime Minister Brian Mulroney's so-called "special relationship" with Reagan had little value when important matters such as the U.S. dollar or world trading relationships were concerned. Asked how economic crisis Nelson Bunker "Who was representing

Reagan's trade war



Canada's interest? That of the Big Five." For their part, the Liberal-United Midway to postpone free trade negotiations with the United States until the full implications of the action to drive down the dollar become clear, but the Prime Minister announced last Thursday that he had telephoned Reagan to request a waiver to the trade.

The fall of the greenback provides both advantages and disadvantages for Canada. A weaker American dollar makes the Canadian currency easier to support at depressed levels without keeping interest rates high in order to attract investors. Indeed, last week the Bank of Canada dropped its trend-set-

ting dollar had declined against the greenback, it now must meet Reagan's intention, making Canadian goods more expensive overseas. Between the early 1960s and 1983 Canadian sales to Europe as a percentage of total exports fell to eight per cent from 15 per cent. But last week, as the Canadian dollar rose against the U.S. currency, it declined relative to European funds. Said Patricia Mohr, senior economist with the Bank of Nova Scotia: "A slide in the U.S. dollar will help our exports to Europe, particularly of new spirit."

In the United States many political analysts said that the decision to devalue the dollar, tied to Reagan's trade speech,

Senate leader Robert Dole. "The President's speech should help end the protectionist fire on Capitol Hill."

Still, economists say that the U.S. dollar would have to fall by at least 35 per cent to have a major impact on the trade deficit. The dollar has dropped 15 per cent since March, but as a result of 30 other major currencies but it is still 19 per cent higher than when it was at its 1960 low point. And because producers not in the United States enjoy large profit margins, they can absorb a small fall in the dollar's value.

The U.S. trade imbalance is not expected to improve unless the federal deficit is reduced. And some experts say that interest rates have remained high in order to attract enough money to finance that debt, which is expected to top \$300 billion for the fiscal year that ended Oct. 1. In turn, the inflow of foreign money into dollar investment has helped push up the greenback's value.

The five central banks must intervene collectively by using U.S. dollars to buy other currencies in order to make the new strategy work. Indeed, an attempt by European central banks last Feb. 27, when they sold an estimated \$2 billion (U.S.) to halt the greenback's rise for more than a few days. Said Yusef Martin, a currency trader and vice-president with New York-based Merrill Lynch: "Unilateral interventionist moves work. Coordinated, useful intervention always works."

Last week the Group of Five approach appeared to be working. Traders estimated that the various central banks meeting the U.S. Federal Reserve Bank, the Bank of France, the West German Bundesbank and the Bank of Japan—released as much as \$4 billion onto the markets. About half that was spent by the Bank of Japan. The reason the Japanese, who enjoyed a \$50-billion trade surplus with the United States last year, are anxious to devalue the greenback is legislation, much of which is aimed at their Solid Cynthia Kelle, senior financial analyst with Massachusetts-based Data Resources, Inc.: "They have to appear to be doing something. Last week the United States' four allies also pledged that to help bring the five currencies closer together they would impose their own growth and investment conditions through tax cuts and financial reforms. That set the stage for currency traders to engage in a wave of selling—only this time by the central banks. Said Merrill Lynch's Martin: "At this point, we are going to test the central banks and try to see the dollar back up. If they are not equal to the challenge, the dollar will skyrocket."

—MICHAEL KATZNER AND MICHAEL ROSE
in Ottawa (M.T.) and NEW YORK
ANDALYSE BOURGEOIS and
DAVID WORTH in London



Measuring the U.S. dollar's value against other currencies March 1973=100

ing leading rate to nine per cent, the lowest since August, 1978. At the same time, a rising Canadian dollar makes exports to the United States more expensive. In 1984 Canada, which ships 76 per cent of its exports to the United States, enjoyed a \$50-billion surplus on two-way trade worth \$238 billion. Still, International Trade Minister James Killebrew said that a small drop in the U.S. dollar "will not endanger our trade with the United States."

As well, most economists said that trade is unlikely to be affected substantially. Said Anthony Amery, chief economist with Minneapolis, Ore.-based DuPont Canada Inc.: "Unless the U.S. government reduces its deficit substantially, the Canadian-American exchange rate will not change enough to have a significant impact."

Other commentators pointed out that a falling U.S. dollar would actually help Canadian exports. Although the Cana-

dian currency Congress to delay passing protectionist legislation. The high price of the U.S. dollar, according to Commerce Secretary Malcolm Baldrige, is responsible for at least half the U.S. trade deficit, which is expected to reach \$158 billion this year. Last week the unbalanced Congress has downed at more than 380 protectionist bills designed to protect jobs.

Reagan says he will veto protectionist legislation passed by Congress. But a two-thirds vote in the House of Representatives and the Senate can override him. And experts say that a two-thirds vote in the Democratic-controlled House is almost guaranteed. That in the Republican Senate, Reagan needs only to persuade 34 of the 50 Republican senators to support him in order to sustain his veto. And last week's action may have helped the President in seriously concerned about the trade deficit. Said Rep. James

The Northland Bank's final battle

After a summer of poor business, Calgary Bank, a small investment centre located nine kilometres west of Calgary along the Trans-Canada Highway, was shut down for the winter and deserted last week. Three years ago the park west was redeveloped when two of its lenders, the Royal Bank of Canada and Bank of America Canada, decided that cost overruns were too high and the prospects for a profitable operation too unlikely. Then the banks called for repayment of their loans of \$6 million each. But the Northland Bank of Calgary, which had also loaned \$6 million, chose to arrange a refinancing program to complete the project. To that end, it took over the larger bank's loans at 55 cents on the dollar, leaving it with a total loss of \$13 million. It was a classic case of refinancing a nonperforming loan to make it perform—in banking parlance, even a "work out." But the arrangement had some unusual aspects at least one of the owners of the investment park enjoyed close links with the bank's board of directors. And although the park for the first time made a small profit during 1985, market projections have turned out to be faulty, and its prospects remain uncertain. Stud one of Calgary's directors "This park really belongs in a small city; it's not right for Calgary."

The refinancing of the Calgary investment park reflects the operating style that has brought the nine-year-old Northland to the brink of liquidation. That method of operation—brash, aggressive, ready to take risks and betle the guest Western Canadian banks for business—was a reflection of the bank's marketplace. The institution's spectacular growth—from \$288 million in assets in 1981 to \$1.3 billion in mid-1985—was a result of the oil boom of the late 1970s. Its business practices were adopted not from banking circles but from the fast-growing deal-making culture of the West's real estate entrepreneurs. And the bank's recent financial problems—which led the federal government to close its doors as Sept. 1 and appoint a temporary receiver—were part of a larger web of business failures. The shake-up of the financing that resulted over the West in 1982.

Last week public attention focused on whether the bank would be shut down permanently by Minister of State for Finance Barbara McDougall. She is under pressure from members of the Conservative party's senior cabinet and the institution. At the same time, in a few-hour emergency debate in Parli-

ment, opposition parties continued to accuse the government of contradicting the Northland's chance of survival by supporting the liquidation of the Canadian Commercial Bank of Edmonton and the appointment of a supervisor for the Northland at the same time during the Labor Day weekend. And in the



McDougall considering proposals

menting Commons banking committee hearings, there were more revelations of problems encountered during the attempted March 28 rescue and subsequent Sept. 1 closure of the CCB. During the hearings the country's major chartered banks took the unusual step of threatening to sue the government to recover the \$40 million they had advanced as their part of the abortive rescue.

Meanwhile, Northland president William Neopole, his board of directors and other associates continued their efforts to work out a restructuring of the insti-

tution. By week's end, sources in Calgary said there were systematic plans the bank would find a buyer, and in Ottawa rumors circulated about an impending deal. Indeed, according to a finance department aide, only "one long-shot proposal" remained on the table for consideration by McDougall. The minister was anxious to take her advice on the Northland, Robert Romano, a corporate finance specialist from Ray Street Investment House Burns Fry Ltd. and a former chairman of another investment firm, A.E. Ames & Co. Ltd., where McDougall was a vice-president in 1982. But many analysts on Bay Street and that the bank has no future. Declared one banking analyst, "It's a goner."

Indeed, government-appointed supervisor, or "receiver," James Morrison, president of Toronto-based Toronto Trust Ltd., spent the week in Calgary shuttling between meetings at the Northland's headquarters on 5th Avenue and his hotel room a few blocks away. Within the bank, tension rose and morale dropped as employees observed Morrison's team of about 40 accountants, clerks and secretaries and 30 bankers on loan from the Royal Bank coming through the Northland's books.

As a result of Morrison's investigation, Neopole and other Northland executives were being themselves for large write-downs on a number of refinanced or nonperforming loans. Many had been made during the optimistic years of Alberta's boom. Others were issued later in a desperate attempt to "increase business as any price," recalled one banker. Indeed, one potential problem asset was the loan to Calgary Park. Morrison's team indicated the property was overvalued and the loan not fully recoverable, even though Toronto Trust's Calgary office had acted as a guarantor for the park and had certified its value at the time of the refinancing.

For the 40-year-old Neopole, what was at stake was his reputation as a banker. Under scrutiny by Morrison were attempts by Neopole to "work out" hopeless loans. In one case, the Northland extended more than \$6 million in refinancing to Howard Kozak in September, 1983, in order to keep alive an original stake in Borealis made at least two years before. Earlier in 1983 Kozak had been forced to resign from the presidency of the CCB after his extensive business dealings with controversial Greyhound Trust owner Leonard Benschberg were revealed. The Northland loans to Kozak, however, were made at a time when a property company which they operated in California, were made after

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the Toronto Dominion Bank had called an \$11-million loan. Bates used the money to fulfil his plans to purchase a savings and loan company in California and pay off minority shareholders in the pension funds of Canadian National Railway Co. and Air Canada—who wanted out of their investment in Bates's company.

Beyond the suspect loans, there were questions about the management style of Neopole and his executives. During the month before the government stepped into the beleaguered Northland's affairs, Neopole, the bank's chairman Robert Wilton and executive vice-

president Martin Porter each received new company cars—Jaguar sedans—as a reward for their hard work in attempting to turn the bank around. Said Neopole, who formerly drove a Buick: "It's stupid in hindsight, but I did not expect to be exploiting it."

And last month, in a California courthouse, a jury awarded a former client of Neopole's, Calgary property trader Ellynka Scheinberg, \$16 million in a suit for breach of oral contract. The suit concerned a verbal commitment by Neopole in 1981 to provide \$50 million in funding—well above his authorized lending limit—for a Los Angeles property deal of Scheinberg's. During the trial, Neopole denied ever making the commitment to lend, but others testifying disputed that. At the time of the deal, Neopole was a vice-president and general manager of the Royal Bank's main branch in banking Calgary and a rising star. The job was the culmination of two decades with the Royal at posts in Toronto, Montreal and Hong Kong, following the path of his father, who had risen

to the senior post of general manager of the Royal Bank of Canada. In Calgary Neopole, widely described as mercurial and flamboyant, enjoyed the success that accompanied the oil and property boom. In one year alone, he said, his Royal Bank branch loaned \$1 billion—an amount equivalent to the entire assets of the Northland in 1984. Recalled one Calgary banker: "He was one of the Royal's fast-track boys."

For Neopole, the presidency of the Northland offered both a way out of a tumultuous banking career that went sour with the onset of the recession and a chance at the large salary, benefits

rapidly and the loan portfolio was diversified out of the West and into Ontario. But those developments, a former Northland executive told Maclean's, "should have been done long before Neopole."

Then, late last March, two days before Wood Gundy Inc. was scheduled to sell a critical issue of new capital, the federal government announced the rescue of the CCB. That development rocked investor and depositor confidence in small, and especially Western, financial institutions and set the Northland on the trail to its current position. Declared an Alberta-based nominee of the Bank

of Nova Scotia, "Northland is not technically insolvent, CCB was. But banker go bust because of a lack of confidence."

Over the course of the summer, as deposits left the Northland "in wholesale gloom," according to one Northland insider, the bank's senior management continued to work on a variety of arrangements to find new capital and jettison nonperforming assets. As late as last July, Inspector General of Banks William Kennett told Maclean's, "It is our view that Northland is not likely to become a problem for the Canada Deposit Insurance Corp."

Two weeks ago Neopole told a news conference that other banks, regulators and politicians were responsible for Northland's problems. But last week he had sharply modified his position. "It's only to point a finger at the guy on the spot, whether it is Bill Neopole or Bill Kennett," he told Maclean's. "But there really is no villain."

—PATRICKA BERRY in Calgary



Martin Porter, Neopole (right) 10-hour days, endless meetings and a bitter fight over the worth of the bank.

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and prestige offered by the smaller institution. When he joined the Northland in May, 1983, his mandate was to turn around the struggling bank, with \$90 million, or 15 per cent, of its assets already in trouble.

Indeed, Neopole's defenders say that most of the bank's current difficulties had already arisen before he took over. Many of the problem loans in Northland's portfolio were made under the sponsorship of previous chief executives. Except for the chairman, who has stayed with the bank from its beginning and has acted as president in two sessions, there has been as almost constant turnover of top executives. Two presidents left after short tenures, and since Neopole's arrival all but three bank officers from the previous regime have left.

But by last March, Neopole appeared to be making progress. The percentage of problem loans had fallen, the bank continued to report a profit and it had erased its debt to the major chartered banks. As well, the sum total of deposits from small retail customers increased

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—PATRICKA BERRY in Calgary



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The fears of a mining magnate

By Peter C. Newman

One reason the Mulroney government is having such a tough time rejuvenating Canadian business is that most of its policies are aimed at the wrong target. The major barrier preventing a recovery is not the inefficiency of Canadian business, but a lack of trade opportunities or militant action demands. In the primary resources sector—which still drives the rest of the economy—the more stumbling block has been the relatively high level of the Canadian dollar against the currency of nearly every country except the United States.

"The problem is our cost base, which has soared over the past few years, solely as the result of currency values," I was told by Noranda chairman Alf Powis, whose company has been especially hard hit. "The result is that North Americans are now the world's marginal suppliers of primary resource products." Powis was delighted by last week's tentative bid in the U.S. dollar but he maintains that it will have to drop a full 25 per cent—and the Canadian dollar along with it—before our materials exports can broadly benefit.

Our slide as traditional buyers of wood has been reflected in Noranda's earnings, which have shown a loss four years in a row. (During 1984 the company recorded a deficit of \$1 million as sales of more than \$2 billion.) Although Powis's company is 98.8 per cent Canadian-owned, his various subsidiaries and associated companies do business in at least two dozen countries.

Between 1980 and 1985, while the Canadian dollar may have declined in value by 17 per cent against the U.S. currency and 10 per cent against the Japanese yen, it has jumped by an incredible 27½ per cent against Chile's peso and by at least 150 per cent against South African rand—the currencies of two countries competing with Canada for raw material sales. In the same half-decade the Canadian dollar, dragged along by the vaulting U.S. dollar, has risen by 58 per cent against sterling, 40 per cent over the Deutsche mark and nearly 90 per cent over the Swiss franc. "What that is coupled with the fact that virtually all our important competitors have had major devaluations against European currencies, the impact has been lethal," Powis complains.

One example that he provides helps to explain why our forest products industry is no exception. Since 1980 the Cana-

dian dollar has gone up by 70 per cent against the Swedish krona. Put another way, had we pegged our dollar to the krona five years ago it would now be worth 45 cents (U.S.). "Small wonder," says Powis, "that we can no longer compete and that the Scandinavians have not only driven us out of the European markets but are now leading exporters in California." This is no exercise in theoretical walking. Noranda owns five major Canadian forest products companies, including MacMillan Bloedel, Fraser and Northwood Mills.



Powis: rampaging rates of resources

What infuriates Powis and other chief executives often trying to push primary resource companies back into the black is that there is nothing in Canada's economic performance that merits the remarkable rise in the value of our currency. Because most of the world views Canada as an economic satellite of the United States, we have been dragged behind the skyrocketing U.S. dollar. Even the U.S. economy has not

fully deserved its high international rating—especially with an annual trade deficit now running at more than \$140 billion. The high U.S. dollar has reflected the inflow of capital, mainly from frightened investors in Europe and the Third World, seeking a safe, rather than profitable, haven for its funds.

"Maybe the United States can afford to assign primary industry to oblivion," says Powis, pointing out that the American mining sector is nearly extinct, forest products production is in deep trouble and many of that country's steel and aluminum facilities will never reopen. "But with the totally different structure of the Canadian economy, we can't afford to follow a similar pattern. We just cannot live by high-tech, automobiles and services alone."

Powis admits to special pleading on behalf of his own company but points out that the manufacturing sector is suffering from the same currency malady. Not only have exports (outside the United States) been seriously affected, but few Canadian factories can compete against European and other imports. Powis also recognizes serious regional implications outside Canada's manufacturing heartland. "With present currency relationships, the rest of the country is facing the prospect of a vastly diminished industrial base, rising unemployment and eventual depopulation," he said. "It would not happen overnight; it would be a lingering death. But it would be inevitable as operations with losses or meagre profits fall into a state of greater and greater decay and nothing comes along to replace them."

The only bit of cheer in this gloomy forecast is that the U.S. dollar has started to decline, and presumably the Canadian dollar will follow in faithful footsteps. What Powis and an increasing number of Canadian business leaders are tentatively advocating is that we should welcome our dollar from its American counterpart and allow our currency to float freely. The effect of denying the Canadian dollar would almost inevitably be to reflect inflation. According to one estimate, a five-cent drop in the Canadian dollar would lift 5 per cent off the inflation rate.

"That this would be a one-shot change," Powis maintains. "What happens after that depends on how we behave. The Swedes handled a massive devaluation without serious inflationary consequences. If Canadians allowed things to go as far as coming again, we would deserve everything we got."

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The Blue Jay countdown

When the Toronto Blue Jays finished their home stand with a 4-1 loss to the Boston Red Sox in a rain-delayed game that ended after 1 a.m. last Friday, they set a season record for ticket sales (4,334,308) that established them as the most successful draw in Canadian sports history. But the team and its fans focused on a different statistic—the "magic number" combination of Blue Jay wins and New York Yankee losses necessary for Toronto to clinch the American League East pennant. As the week began the number was nine. Set by Saturday, when Toronto overcame the Milwaukee Brewers 6-3 and the Yankees beat the Baltimore Orioles 6-0, it had plummeted to four.

There was nothing sure about the equation in between. It was a week marked by alternating elation and nagging despair and by concern over a series of injuries to players whom the Jays would have to do without. First baseman Willie Upshaw spent most of the week on the bench with a pulled abdominal muscle; pitcher Jimmy Key left Wednesday's game with a groin gulf, and left

fielder George Bell was still ringing at week's end from a grotesque collision with shortstop Tony Fernandez.

As the week began, the Jays' "drive of '85" stalled when Dave Stieb lost a 2-0 game to the Milwaukee Brewers and the Yankees beat the Baltimore Orioles. The magic number stayed at nine. On Mon-

With only seven regular games left, the talk was when and where the team would clinch their division championship

day veteran Jim Clancy beat the Brewers 5-1 and showed that he had recovered from the tendinitis in his right shoulder that had shelled him since July 27. The Yankees were also literally nursing their wounds after a weekend that featured a barroom brawl involving manager Billy Martin, who broke his right arm in a contest with one of his

pitchers, Ed Whitson. The magic number dropped to eight.

By Tuesday night it was six, and the talk of Toronto from factory lunchrooms to barroom lounges was not whether the Jays would win the division, but when and where they would clinch it. Baltimore Dennis Lundy, with 11 wins and no losses in relief, beat the Red Sox 4-2. Meanwhile, the Detroit Tigers co-opted by thrashing the Yankees in New York 5-1.

Because of the arcane method of calculation, there was no movement in baseball's Dew Jones on Wednesday, when the team lost 4-2 to the Red Sox in 13 dramatic innings and the Yankees crushed the Tigers, 10-5, one after Thursday's loss. That night the Yankees and Tigers, playing in New York on the fringe of hurricane Gloria, were rained out.

When the Blue Jays flew south for six road games against the Brewers and Tigers before finishing the season against the Yankees at home this weekend, they carried a special cargo in the hold of their chartered C-47 737. Five cases of Ontario champagne. "We want to clinch this thing as soon as possible," July 27. The Yankees were also literally nursing their wounds after a weekend that featured a barroom brawl involving manager Billy Martin, who broke his right arm in a contest with one of his

—ALISON GORDON in Toronto



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An emotional religious division



James Cardinal McGuigan supports school in Toronto's official/separate guarantee

The crisis at Ontario's legal frontier last week is rooted in explosive issues embracing religion, politics, equal rights and education. In all, 40 lawyers gathered to argue the constitutionality of a provincial bill that would provide full public funding to Roman Catholic high schools. But heated submissions detailing the intentions of the Fathers of Confederation and the sweep of the 1869 Charter of Rights and Freedoms could not eliminate one disturbing possibility: that the province-wide debate over schooling might degenerate into an ugly confrontation between Catholics and Protestants.

Most of the lawyers represented 34 groups—including public school boards and teachers—which say that the bill violates the Charter by extending the funding only to Catholic schools. But Ontario Attorney General Ian Scott argued that the education rights granted Ontario Catholics and Quebec Protestants in 1987 are entrenched in the Constitution and take precedence over the Charter's equality clause. Indeed, Scott told a five-member panel of Ontario Court of Appeal judges that a political compromise by the legislature of Upper and Lower Canada played a crucial role in the creation of Canada. Its intent is to provide full funding for Protestant schools in Quebec and Catholic schools in Ontario. Indeed Scott: "Without it there would have been no Confederation or anything like the terms that permit-

ted this country to survive for more than 100 years."

The hearing has provided a legal forum for an issue that has enraged Ontario politicians since June, 1983. At the time, in one of the most surprising turnabouts of his 14-year administration, Conservative Premier William Davis announced that funding for Catholic schools would be extended from Grade 10 through the senior Grade 12 year. All

Davis: a controversy that weakened Tory support during last spring's election



three parties in the legislature swiftly supported the proposal in principle. But despite that unanimity, separate-school funding had caused divisions in once-trusted communities across the province. One reason is that school boards, teachers and parents alike are still trying to predict the effect of at least 10,000 Catholic students switching from public high schools in 1987, when the separate system would receive grants up to Grade 13.

As well, Frank Miller, who succeeded Davis as premier last February, said that the controversy over separate-school funding had weakened Tory support during last spring's provincial election and contributed to the party's defeat. As a result, a minority Liberal government, which took power last June after 45 years of Tory rule, has now committed itself to fulfilling Davis's promise with passage of Bill 30.

Last week in the Appeal Court, Scott presented the judges with a direct question. Asked Scott: "Is Bill 30, as set to amend the Education Act, inconsistent with the provisions of the Constitution of Canada including the Canadian Charter of Rights and Freedoms and, if so, in what particular or particulars and in what respect?" For his part, Ontario Chief Justice William Howland said that the panel's sole task was to determine if the government's bill was legal—not to decide if a separate-school system was necessary.

Then Scott gave way to assistant deputy attorney general Horace Wright. He argued that the proposed legislation would simply restore educational rights held by Ontario Catholics at Confederation, which politicians subsequently diminished. Wright also said that Ontario should simply mirror Quebec's commitment to fund Protestant schools by treating Catholic institutions in the same way as those in the public school system. Wright further noted that after Confederation the Ontario legislature passed laws which gradually reduced the Catholic educational rights. He said that process culminated in a 1959 court ruling that denied Catholic high schools access to public funds. But in 1964 the Conservative administration of then-premier John Roberts dramatically reversed grants to separate schools. Now, despite the 1988 precedent, the government insists that Ontario Roman Catholics still have a right to all education guarantees which existed in 1867.

Still, John J. Lesko will argue that the Charter requires the government to fund other religious schools. Lesko, the son of Brona Lesko, the late chief justice of the Supreme Court of Canada, is representing the Canadian Jewish Council at the hearing. Also opposing the legislation is the 30,000-member Ontario Secondary Schools Teachers Federation. The Federation holds that large numbers of students switching to a fully funded separate-school system will force many public school teachers to choose between unemployment and jobs in Catholic schools.

But why will the judges in the courtroom by 7:30 p.m. of July 1, Robitsek, one of the foremost authorities on constitutional law in the country. In the Supreme Court of Canada four years ago Robitsek successfully argued that the federal government could provide the Constitution without the consent of the province. Now Robitsek, who is representing the Metropolitan Toronto School Board at the hearing, says the province's actions violate equality provisions in the Constitution that he helped bring home from Great Britain.

The Metro school board also contends that the government cannot provide funding to separate schools until Bill 30 becomes law. But the government has already passed an order-in-council releasing \$20.5 million to 36 separate school boards across Ontario. The judges are expected to take months to reach a decision—and the losing side is certain to appeal the judgment to the Supreme Court of Canada. As a result, the strains that have accompanied as much as 30 years of Confederation will be present in Ontario for years to come.

—MELANIE GRAY with
SHERIDAN KENNEDY in Toronto



Ramsell, Jeffrey Tutton public, educational gains and loss risks to high school

Neighbor against neighbor

The Tuttons and the Côtés, two families living near Windsor, Ont., share a common goal: securing the best possible education for their children. But because Essex County's 300,000 citizens are divided roughly between Roman Catholics and Protestants, the controversy over separate-school funding has placed the two families on opposite sides of an issue which has caused friction across the province. In the small community of Harrow public-school supporters Jeffrey and Pamela Tutton say they fear that an expanded separate school system might absorb their local high school—a change that would eventually force their 10-year-old son to travel 25 km by bus to another school. And only 80 km to the northwest, in Amherstburg, 16-year-old John and 14-year-old Julie Côté already spend two hours each day on school buses—yet, though there is a public high school within two blocks of their home. The reason: despite the 66-km round trip, Mark and Lynda Côté, as well as the parents of about 380 other students who travel long distances, want their children to attend St. Anne's, the only separate high school in the county.

Against 3,000 students from Catholic families still attend nine high schools operated by the public school system—twice of them serving single communities Bill, a bill proposing full funding for Catholic schools appeared to threaten that arrangement, and the county's separate-school board encouraged severe resistance in January when it announced that an expected influx of stu-

dents would require it to take over four public high schools. For its part, the public school board swiftly declared that transferring four schools to the separate-school system might result in "community disruptions and strong antagonisms where none have existed." And one of the board's planning briefs said, "The relocation of students, staff and the redistribution of buildings and equipment represents a significant 'disruption'."

As well, 3,000 public-school supporters signed a petition opposing that plan. Jeffrey Tutton, who earned his circumlocution last May's provincial election, attacking extended funding as an independent candidate in the riding of Essex South (he finished third, after the Liberal winner, and 151 votes behind the runner-up). The 30-year-old electronics technician received more votes than the New Democratic candidate, and he says that demonstrated widespread support for his views.

As a result, shortly after an election that ended 32 years of Conservative rule in Ontario, the Essex County Separate School Board quietly dropped its plans to absorb four public high schools. Now it is adding the new Liberal government to have a playing field supported by all three provincial parties and extend full funding for all separate-school grades by 1992. That promise began this fall with financing for Grade 11 students, but supports of both systems—including the Tuttons and the Côtés—any that disputes over education will continue to divide a county where Protestants and Catholics once lived in harmony. □

The taming of a once-certain killer

Last winter Beate McKellar, a 30-year-old paediatric nurse at the Clarke Institute in Toronto, had a baby. That fact understandably escaped wide attention. But in medical circles it represented a small landmark. The nurse, McKellar, suffers from cystic fibrosis (CF). And as recently as 1960 this genetic disease killed most of its victims before they reached the age of 5. Now, as one of the pioneers in the first generation of adults with CF, McKellar has a difficult responsibility—planning a life that nature never intended to exist. Said McKellar, "When I turned 37 I suddenly realized that I wasn't going to die the right away and that I had better make some plans for my life." Since then she has proceeded step by step, first earning her nursing degree, then working for five years. But nothing was as difficult as her decision to have a child, although much of her anxiety was relieved when she learned that her son had not inherited CF. Now she has a new goal. It is modest by most standards but unprecedented among CF sufferers—McKellar wants "to see Christopher grow up."



McKellar, son Christopher adult cystic fibrosis patients live a day at a time

thick mucus that clogs her lungs and attracts infections. She also takes pills to regulate the digestive enzymes that her pancreas cannot produce. CF sufferers in Canada now live an average of 24 years, longer than any others elsewhere in the world. And every year the nearly 3,000 adults who have grown up with CF continue to improve on that statistic. Most CF patients say that their main ambition is to live long enough to see the end of the race now under way to find the gene that causes CF and to understand exactly what goes wrong in the

cells of those who harbor it. That could open the way for a substance to control CF much as insulin controls diabetes. Disturbed Children's Services, executive director of the Toronto-based Canadian Cystic Fibrosis Foundation. "We have a very good chance of discovering the CF gene in Canada. That could have radical implications for treatment."

Still, CF remains both pestiferous for researchers and tragic for families. It is the most common fatal genetic disease among white children, one in 30 Caucasians carries the gene, and when two carries have a child the odds that he or she will have CF are 1 in 4. And until the gene is found there is no way to detect carriers until they bear children with the disease.

The disease produces several unrelated symptoms. Almost all victims die of lung infections, but CF also attacks the pancreas and produces perspiration that can be twice as salty as normal—a peculiarity that allows doctors to diagnose the disease. Recently, scientists studying these diverse symptoms have determined that a common defect in present, certain cells in CF sufferers are unable to transport salt (sodium) and chloride through cell membranes properly. For reasons still not completely understood, that produces thick, dehydrated mucus which clogs airways in the lungs and possibly ducts in the pancreas as well. It is an attempt to narrow down the problem, says researchers now speculate that CF patients have no "leaky channels," which are proteins in the cell membrane that open and close to



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allow chloride ions to pass through. Alternatively, the channels must be prevented but nonfunctional. Said Michael Knowlton, a leading CF researcher at the University of North Carolina at Chapel Hill: "We don't know yet whether CF patients have no chloride channels or whether a faulty regulatory protein is keeping them shut."

The problems affecting the pancreas are less clear. But Gordon Forrester of Toronto's Hospital for Sick Children, famous for his research on CF men and the pancreas, says that they may be the same as those which afflict the lung. Despite the uncertainty, Forrester and the research he finally led to a "good, working hypothesis" for the basic cellular defect in CF.

Meanwhile, several teams of geneticists are taking several approaches to isolating the cause of CF. They are screening the genes in blood samples from hundreds of CF patients and their families in an effort to find the gene responsible for the disease. So far, geneticists Michael Backwald and Lay-Cher Tsui at Toronto's Hospital for Sick Children—two first cousins in the same—have probed 30 per cent of the possible genetic territory. Said Backwald: "Imagine the CF gene is one house in one of 20 neighborhoods. That house is emitting a signal, and our probe roams around, trying to detect it." Backwald predicts that his group will find the right neighborhood "during the next six months to a year."

The new excitement in CF research today is due to the fact that both the geneticists and the cell biologists appear headed toward the same object. For when the gene is found it will lead to its protein product, which may well be the agent that carries out the faulty instructions in the chloride channel. The long-awaited "smoking" for CF could be a drug to correct or strengthen that faulty protein.

Here, speculatively, scientists could use so-called gene therapy to clone thousands of healthy equivalents of the CF gene, inject them into benign viruses and spray the viruses into patients' lungs, where cells could get the new genes to work. Still, other techniques could take years to develop. A carrier test and a reliable test to detect CF in the womb will likely be perfected first.

For his part, 30-year-old Robbie Thompson of Halifax hopes that research will produce a treatment "something like a shot you could get once a year." Robbie and his eight-year-old sister, Jane—both of whom have CF—and Mike Mulrooney, honorary chairman of the CF Foundation, are featured on posters and in commercials across Canada. But adults with CF tend to be more pragmatic as scientists about a cure emerging in the near future. Said Karen Luckey, 21,

a Regina CF sufferer: "I wish I had been born with CF now, because they are learning so much more about the disease." For the past six years Luckey has been an organ transplant—first hooked up to huge tanks and then to portable liquid oxygen packs—because her lungs have been so damaged by infection. As a result, it is now treatment for lung infections, not basic genetic and membrane research, that holds most interest for her.

Over the past 30 years several new drugs have helped to eliminate lung infections associated with CF. Now, the most feared organism is *Pseudomonas*, a bacterium highly resistant to antibiotics. Once it enters CF lungs, it stays and reproduces rampantly, making it even

more difficult for patients to clear their lungs. Some of the most promising *Pseudomonas* research is being conducted by a team led by microbiologist Robert Hancock at the University of British Columbia, which has tested 20 different compounds that in effect create holes in the bacteria, making it more susceptible to antibiotics. Said Hancock: "The outer membrane of *Pseudomonas* blocks the penetration of antibiotics because it contains very few holes through which they can pass."

A more radical approach is treatment in gene patients are lung and heart. In two such operations conducted over the past two years, the patients eventually died about 50 days after undergoing their operations. But their deaths were due to complications and not because their new lungs had developed CF, according to Robert Beal of the U.S. Cystic Fibrosis Foundation in Rockville, Md. 20851. Beal says that the severity of transplantable lungs—and the fact that



Forrester, Paul and Dr. John Riordan searching for the 'smoking' of cystic fibrosis

chief of pediatrics at Ottawa's Children's Hospital of Eastern Ontario. "Things can get difficult when the patient knows more about CF than the new internist." Added Frank Smyth, 35, a CF sufferer who works as a computer programmer at Dalhousie University in Halifax: "People say, 'But it's great they're living so long!' But if you have gotten through childhood to find yourself essentially cut off, what was it all for? Problems in health care and in the workplace may soon be the mundane reason to somebody in scientific research, but they have to be addressed."

Smyth's concern goes to the heart of a complex issue. Although modern medicine stands poised on the brink of a triumph over cystic fibrosis, it does not promise certain happy endings. Indeed, that triumph may well consist of the transmutation of a death-threatening killer into a chronic lifetime disease.

—PAT DELANEY/CF in Toronto

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Diana, William: Taking care of business

Before embarking on a busy fall schedule, which includes trips to Australia and the United States, **Prince Charles** and **Diana, Princess of Wales**, saw their first-born, **Prince William**, 3, off on his first day at **St. Mary's** nursery school in the basement of Myrna's London home. It was the first time as heir to the British throne has attended a regular preschool, and the event caused as much excitement in the neighborhood as Diana's first trip to Washington, scheduled for Nov. 8, has already stimulated in the U.S. capital. Traveling without William and **Prince Harry**,

1, the royal couple plan to attend the usual round of dinners and receptions, including a splash at the White House. But they will also be taking care of business: the trip includes a stop at the city's main J.C. Penney department store to promote British products.

One of the foremost dramatic colorists operating, **Dancer Jean Sutherland**, has dominated her field for three decades, pairing often with her husband, conductor **Richard Bonynge**, to resurrect largely forgotten 19th-century operas. Now, encouraged by director **Lotfi Maasouni**, Australian-born Sutherland has agreed to perform with the Canadian Opera Company in a rarely seen version of *Hamlet* by French composer **Ambroise Thomas**. Bonynge has agreed to conduct the scheduled six performances between Oct. 4 and 19 in Toronto. Singing the role of Ophelia, a delicate teenager who eventually succumbs to madness and death in *Shakespeare's* play, presented no apparent problems to the 58-year-old, five-foot, eight-inch grandmother. Said Sutherland, whose Hamlet will be the 40-year-old, six-foot, two-inch Dutch baritone **John Reichester**: "I was surrounded by a tall cast—and I will run with an like a mountain!"

Adopted at birth, **Catherine Stone**, 32, received a mysterious inheritance of \$2,000 when she was 21 from the estate of **Edie Stone**, mother of the legendary country musician **Hank Williams**. Then, said Stone, "I also learned that I was Hank Williams' daughter—but I couldn't prove it until last year, when my lawyer got a copy of the contract my father made with my mother stating that he wanted me and would look after me after I was born." Now Stone wants a recording career of her own—and her share of the royalties from Williams' 129 songs. The hard-living singer died at 26, five days before Stans was born. Stone's lawyer, Washington-based **Keith Adkinson**, says he has a copy of the Oct. 15, 1962, contract between Williams and **Bobbie Jett**, in which Williams undertook to raise the child and give Jett a one-way ticket to California (he died there in 1953). Stone said "There is a great deal of money involved, but to know that my father really and truly wanted me—that's a gift."

O'Dowd speaking



imagine how honored I was or how badly I felt about this. I'm sure there is a scar on my heart with the words, 'Sisterday, Sept. 14,' written right across it."

—Gazed by **BETTE LADENBUTE**



Stone's recording career of her own

Irish bar singer **Mary O'Dowd**, 36, whose wounded rendition of *O'Canada* in Yankee Stadium on Sept. 14 made her notorious with Toronto Blue Jays fans and gained her an awe-inspiring new presswoman in her native New York, says that she leads "a normally busy life—but not like this" invited by both *The Toronto Star* and *The Toronto Sun* to sing the Canadian national anthem in Toronto on Oct. 4. O'Dowd accepted the Star's invitation —"because it was first"—but kept the Sun's gifts of a Blue Jays cap and jersey and a Sun sweatshirt for her daughter, **Ellen**, 4. But the Blue Jays, having already booked anthem singers for all remaining games, declined to re-operate. Last week O'Dowd said that she may still come to Toronto, if only to apologize to Mayor **Arthur Eggleton and other Blue Jays fans in person. Added O'Dowd: "Nobody can**

We talked and talked... and never ran out of things to say.



Boileys. For the moments you treasure.

The eccentric charms of a pop poet

Dressed in white lace stockings and a silky winking jacket, she fluttered tentatively around the stage. With her freckle-faced and whippy nose, she seemed fragile under the spotlight's glare. But as her peeling, ethereal music gathered momentum, Jane Siberry spun a web around her audience in Detroit two weeks ago. At 26, Siberry has been hailed in *Rolling Stone* magazine as a "fascinating" new artist, and many critics feel she is the finest Canadian songwriter to appear in a decade. Once considered too eccentric for popular tastes, the Toronto singer is emerging into pop's mainstream: her North American tour of 26 cities is currently under way, and last week 26,000 copies of her third album, *The Spinning Sky*, arrived in record stores. Said Greg Tompkins, music director of Ottawa's *CMX-FM*: "She is creating unique, quirky music without strict attention to commercial acceptance."

Siberry's career, although remarkably brief, has already drawn a chorus of superlatives from critical quarters. Two of the most popular songs from last year's album, *No Borders Here*, received constant airplay. *The Waterman*, a whimsical look at that profession's occupational hazards, had the enigmatic lines on the French. As well, Siberry's evasive lyrics are among the most imaginative in the medium. Last June, after the singer signed with the influential American recording company Windham Hill, *No Borders Here* came out in the United States to widespread acclaim. *Rolling Stone*, the bible of the American music industry, called it "elfiest, compelling and a gem," while *The New York Times* credited Siberry for "her own kind of eccentricity and deliberately delicate touch."

Siberry's strength lies in her intelligent songwriting. In *Windows* (Windham Hill), she employs sounds of rushing air, splashing water and screaming airplane engines to convey abstract concepts about movement. Her ambient compositions have mystified some audiences, but the ideal quality of her songwriting has delighted others. Siberry herself credits the videos for much of that support: "People sometimes don't know what to make of my music,

and videos give them a better idea."

A committed individualist, Siberry grew up in a Toronto suburb, where she rebelled against formal music education, preferring to play the piano and guitar by ear. She was accepted into the music program at the University of Guelph, Ont., in 1981 but eventually switched to science. Said Siberry: "Ev-

erence fluctuations. Overboard, a clockwork is adorned with sheets of lyrics. But despite her detailed approach to songwriting, Siberry has had difficulty relinquishing her sense to her group. Said Siberry, who often acts as a live aid: "A lot of Jane's ideas are very abstract. The first inclination is to say, 'This is crazy.'"



Siberry: emerging from the underground into the mainstream with a popist style

er time I left science class I felt like I was on a cloud. Science had explained to me how something worked." Fascinated by poetry, Siberry formed a folk music duo called *Jane Jane* with singing partner Wendy Davis. Playing original compositions, *Jane Jane* soon added bass player John Walker—a leading member of Siberry's current band—and performed on the Ontario campus circuit. After graduation Siberry worked as a waitress to finance her first album. Recorded in 1981, *Jane Siberry* was an accomplished album that received favorable reviews but limited distribution.

Eventually, Siberry switched to electric guitar and began composing as themed keyboards. Superimposition has become a feature of her songwriting process. In her basement studio an artist's room with sketches of her jagged mountains, valleys and rivers inspire

As Siberry's performances develop in scope and range, so, undoubtedly, will her artistic reputation. On the current tour she has added two female vocalists for harmony and choreographed movements. The Canadian girl will feature a sophisticated light show to enhance Siberry's already-atmospheric songs. Said William Ackerman, founder of Windham Hill: "The women is a unique, exciting artist who is utterly in love with what she is doing." For Siberry, who found science a low for order and patterns, music has become the perfect medium to express her peculiar view of the world. "Music can be very scientific," she said, "with beautiful abstract patterns everywhere." Like an eccentric scientist who wanders on a discovery, Jane Siberry has found a formula that defies pop music conformity.

—NICKOLAS JENNINGS in Toronto

TELEVISION

Images without a focus

TELEVISION
(TV) Ontario, Ed. 41

In a 1982 Canadian critic and social observer Marshall McLuhan declared that modern electronic communications were turning the planet into a "global village." The evidence in *Telemania*, a 13-part British history of the medium, demonstrates that the box with the hypnotic face has done more than any other phenomenon to support McLuhan's contention.

Telemania points out that an estimated 24 million people now watch 650 million sets in 162 countries. And because of the dominance of the American television industry, many of those viewers watch the same programs, from *Barbeton* football to *Jeopardy!* As *Telemania* makes clear, the "global village" has come to mean the dominance of U.S. pop culture. Unfortunately, such images are rare in the series. Caught up in the medium's tendency to superficiality, *Telemania* is less an in-depth study than a grab-bag of potent images from the past.

Those images reflect every facet of what comedian Spike Milligan once referred to as television's "Jelly and Hyde face." The series examines everything from soap operas to the making of educational programs in rural India. But its comprehensive demands that *Telemania* flit from topic to topic like an electronic butterfly. The introductory program, *Visions of Power*, establishes that hectic pace with a whirlwind overview of what is to come. The second adopts a more comfortable pace with its intriguing look at John Logie Baird, the Scot who fashioned the first television out of a bicycle lamp and an old tin clock in the 1920s. But the rest of the series returns to the speedier, less focused, and less interesting fragments of interviews between moving historical footage, including shots of the 1969 moon walk.

Telemania's effectiveness as a historical songbook reaches its peak in the fourth series, which examines the history and practice of news broadcasting. The scenes of a nervous Senator Joe McCarthy, quailing as his fellow Americans condemn him in 1954, are actively absorbing. The series shows that McCarthy's downfall—and the end of his sensationalist, wish-fulfill for Communists—was aided by television reporter Edward R. Murrow's exposure of the senator's sinister tactics. *Telemania's* fifth installment further examines the

typical, does not follow it up. Still, the series does look more seriously into some matters of importance, such as the effects of television violence on young people. But even those attempts tend to lack a solid focus, when it seems that the content has been written to fit the available footage. There is one reason *Telemania's* grasp of the medium is suspect. In the end, viewers must decide for themselves whether television is an opiate of the masses or an instrument of true liberation.

—JOHN BENDIS

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TECHNOLOGY

Tractors with smarts

Ronald Palmer was a 20-year-old student pilot in 1975, trying to fly a straight line over Ottawa, when he says he suddenly began thinking about tractors. He was keeping a Cessna 150 on course by holding in on radio signals from navigational beacons. But the young computer specialist had also grown up on a farm 50 km north of Regina. And he realized that a similar directional system might solve crop-deve-

loping, a common problem on huge Prairie farms where farm implements endlessly cover the same ground twice. Now, Palmer has invented a computerized system that will help farmers send and spray their fields in precise straight lines. Said Palmer, now a professor of engineering at the University of Regina: "It will cost between \$5,000 and \$10,000—but on a 1,000-acre farm the system will pay for itself within three years."

Ottawa and the Saskatchewan government have already provided \$150,000 worth of research grants to develop the system. And several companies are considering investing in the manufacture of Palmer's invention. One reason, according to Statistics Canada, the province's 25,000 farmers spend more than \$1 billion each year on fuel, pesticides and fertilizers, and Palmer estimates that widespread use of his invention would reduce overlapping—shooting as much as \$100 million from this bill.

—DALE ECKHART in Regina

TECHNOLOGY

The traffic jam in space

The term "outer space" usually conjures up an image of a vast, largely empty expanse. But to scientists and engineers involved in launching communications satellites, outer space is a bustling network of electronic activity. Indeed, there is growing concern that the number of "parking spaces" for satellites is dwindling. And at a recent United Nations conference in Geneva last month representatives of Third World countries complained that satellite communications are quickly becoming a monopoly of the industrialized world.

Experts are not concerned that satellites may collide, but because there is a limited number of frequencies available for transmissions, if satellites are placed too close together the signals conflict. The Indian and Indonesian governments have already been forced to make time-consuming and costly adjustments to their new satellites to avoid interference from existing spacecraft. And officials from other Third World countries say they are worried that by the time they are ready to



Satellite launching, overcrowded orbits

launch satellites, there may be no frequencies or orbital space left for them.

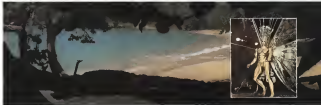
In Geneva, Third World delegations called for a system of reserved spaces and operating frequencies for countries that have yet to launch satellites. But the industrialized countries, led by the United States, opposed any restrictions on current satellite development and claimed that a reservation plan would prove unworkable. Canadian delegation leader William Montgomery declared that a "rigid system simply won't work." But the difficulty of sharing orbit positions with the United States contradicted the Canadian position. Said Montgomery: "The problem comes from the United States spacing our satellites into less optimum positions."

In the end, the Geneva conference closed with a compromise to reserve one space and part of the existing parking frequency for each of 130 countries that have yet to launch satellites. The agreement apparently satisfied Montgomery. But the United States requested a formal reservation to the point, which its delegation said was wasteful and bureaucratic. Indeed, one US delegate insisted that the plan simply would not work at all. And if that proves to be true, the issue of access to space could still cause global confrontation.

—ELIZABETH HOLLAND in Geneva

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MAGAZINE/OCTOBER 1, 1980 55

Fighting over custody

Paul Hinch, a 50-year-old Ottawa hotel clerk, is the father of six children. But he is twice divorced, and he has not seen the four children from his first marriage in more than 10 years. As well, his limited resources only permit him to visit the two children from his second marriage (who now live 300 km away in Quebec) about once a year. The reason even though Hinch spent 12 years and an estimated \$60,000 fighting for sole custody of his children, the courts awarded that right to his ex-wife. Now, Hinch is executive secretary of the Canadian Council for Co-Parenting (CCC), an OTTAWA-based coalition formed last March. The organization, with representatives in all provinces except Prince Edward Island, is campaigning for approval of amendments to Canada's new federal divorce legislation. The CCC recommends that joint custody be enshrined in law as the preferred option in custody cases. Declared Hinch: "Joint custody should be the prime consideration, on the assumption that access to both parents is beneficial to the child."



Hinch, Hilaris: debating divorce laws.

Many lawyers and family counsellors are convinced that the number of divorcing couples applying for joint custody—in which both parents legally share the responsibility for raising their children—has increased. Although statistics are not available, they cite such factors as a growing dissatisfaction with the adversarial nature of divorce proceedings, the growing number of working mothers, and fathers who increasingly play a larger part in raising their children. Still, family law in Canada makes no provision for joint custody, although the courts will consider ordering shared care when responsible parents make a joint petition. But usually they do not grant joint custody in cases where one spouse applies for it against the wishes of the other.

The custody campaign is the latest issue in the debate over Canada's divorce laws—an argument that began in the mid-1970s when lawyers, women's groups and private citizens began to petition for changes in the 1968 Divorce Act. These groups recommended the introduction of no-fault divorce—in which marital breakdown would be the sole grounds. They also pressed for the diminution of the current three-year separation period needed before a divorce on grounds of marital breakdown can be granted. These recommendations were included in the Liberal government's proposed 1984 divorce legislation, although the bill had not been passed when the government changed hands after last September's election. Still, concerns that divorce law amendments would be delayed were eased when the new Conservative government announced almost immediately that it would make the issue a priority.

Indeed, last spring Justice Minister Jean Chrétien introduced two new bills in the Commons. The Family Orders Enforcement Assistance Act is intended to provide improved mechanisms for enforcing maintenance and custody orders. For one thing, the proposed legislation would give court officers access to federal data banks to trace spouses who default on child- and spousal-support payments. The other bill, the Divorce and Custody Relief Act, shortens the separation period to one year from the current three and, to encourage reconciliation, it allows couples to live together for up to 90 days without affecting their divorce proceedings. As well, the act eliminates 12 of the current grounds for divorce, including alcoholism and imprisonment, and makes divorce contingent solely on separation of one year, adultery or physical or mental cruelty. "It's a great step forward," Chrétien told *Maclean's*.

The proposed new legislation clearly gives the courts authority to award custody to either or both spouses. But CCC



Two modern examples of efficient, flexible electric heating.

Two very different homes, with different heating problems. But they both want the most efficient and economic home comfort.

The home on the left was built way back when. And in those days, oil was the least expensive alternative for home heating. But times have changed. So the heating system has also changed. The owners have added an electric plenum heater to their oil furnace, which has reduced their fuel bills substantially.

The home on the right is the new guy on the block. And because it's new, it has the latest heating technology. The owners chose an electric heat pump, a system so efficient that it actually delivers more energy than it takes to run it. A system so versatile that, in summer, it reverses its cycle and air conditions the home.

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3. Peter Right: And Tegrin also helps control that itchy scalp that used to annoy me.

Mrs. Again, it shows Tegrin gets your scalp really clean.



4. Mrs. I'm going to give Tegrin Medicated Dandruff Shampoo a try myself.

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providing Richard Hasey argues that by maintaining adultery and cruelty as grounds for divorce, the government makes joint custody difficult to obtain. One reason divorce battles routinely enter one spouse filing for sole custody may influence the court by casting aspersions on the other—often by committing perjury. As a result, the OJC last month submitted a list of proposed amendments to the Commons standing committee on justice and legal affairs, which is studying the new bill. As well as asking that joint custody be made the preferred option, the OJC recommends that when spouses cannot reach an agreement, the courts should appoint a mediator. The OJC is also urging that all grounds of fault be eliminated, not only because they can sway the court's judgment but also because they subject children to unnecessary acrimony.

For their part, opponents of forced joint custody argue that ordering unfettered parents into such arrangements could be detrimental to a child's welfare. Declared Louise Dubois, vice-president of the Toronto-based National Action Committee on the Status of Women: "When parents do not agree upon entering a joint-custody arrangement, the effect is as if you were continuing the divorce action forever. You have a potential legal fight on every decision made affecting the child." Added Dubois: "It is a very small minority of fathers who are interested in having custody in the first place. We would like it specified that there cannot be joint custody unless both parents agree." Credible maintenance that the proposed legislation provides strong guidelines for courts to award joint custody where it is agreed upon. Declared the justice minister: "I have no doubt that in the future there will be far more control of joint custody. But the court will have to examine all of the circumstances. It would not be sensible or proper to go beyond that."

Still, Hasey said a 1983 University of Toronto report found that of 265 declared families who chose joint custody, 77 per cent said they were satisfied with the situation, and 88 per cent recommended it in the event of marriage breakdown. Hasey added that in California, joint custody has been a presumption in law since 1980. Couples generally have their petition approved by the courts unless a third party can substantiate reasons to the contrary. When spouses cannot agree, the courts then refer the case to mandatory mediation. Declared Hasey, after noting the changes occurring in the United States—and the concerns of divorced parents in Canada: "Mr. Orobelle is not paying attention to the tidal wave of change."

—BRIAN JEFFERY STREET in Toronto



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Fame and forgery

LOVE AND LARCENY
CBC, Oct. 6

Betty Hingle, a vivacious fortune seeker, was one of the most notorious Canadian women at the turn of the century. After growing up in obscurity on a farm near Woodstock, Ont., she used her considerable charm and a talent for forgery to amass a huge fortune in the United States. Although the authorites sent her to jail several times during her much-publicized career, she always rebounded into new positions of wealth. Indeed, her life was the stuff of melodrama—a fact not lost on the makers of *Love and Larceny*, a capturing, three-hour CBC special. *Love and Larceny* turns Betty (Dorothy Dale) into a female Robin Hood who is unfailingly sympathetic because her schemes are so daring as they are illegal—and because the businessmen she cheats seem to be crooks themselves.

Love and Larceny romanticizes Betty's checked life, but only a peevish could resent Dale's performance as a scatterbrained dreamer with a heart of



Rose, Dale: production and grand dreams

so slightly tarnished gold. Early in the film the character wins the audience's sympathy when she is seduced and abandoned by a rich British army officer (Brent Carter). After that disaster Hingle is prepared to escape prison, but Woodstock is not where she can. She forges a cheque in order to buy new clothes and, when caught, fabricates to escape conviction. Making her way to Montreal, she parlayes a \$500 loan into a prosperous gambling establishment. But temptation soon knocks again. In trying to raise money to save her father's mortgaged farm, Hingle forges more cheques—and goes to prison, although not for long. A few years later she is in New York, rich once again and trying to get revenge by posing as the illegitimate daughter of well-known reformer Andrew Carnegie.

Dale responds to Hingle's scheming career with a stare of awe—staring—which is exactly what the large-theatrical role demands. Battering her eyes, lowering, dropping in and out of frame, accents, the beautiful actress achieves just the right balance of wit, charm, greed and stupidity. But Dale is most skilful at showing how Hingle turns slowly into a coldly calculating woman who uses sex as a weapon and whose only friends are family.

Amazingly, Hingle remains appealing though that change, because her schemers are mostly rich bankers whose pomposity invites their undoing. Rose Petty brings just the right touch of cold, faintly smothering lucubrations to the role of Woodman, the Woodstock financial boss on acquiring the Hingle farms. And Chris Wiggins gives the most solidly convincing cameo in the production as Newton, the dear New York bank executive who suspects the young woman's claim on Andrew Carnegie. But not all the supporting cast in *Love and Larceny* is so villainous. Betty's guardian angel is a soft-hearted Montreal lawyer, Ashton Fletcher, played with courtly charm by the veteran Douglas Rowe.

Such characters bring an inevitable parallel to *Love and Larceny*, making it a myth that exaggerates the outlines of real life. Still, such an approach runs a constant risk of floundering on cliché. With Hingle's father, Dan (Kenneth Penney), scriptwriter Douglas Brown (Brown, Dan) has created yet another heavy-handed version of the bygone, 19th-century Colonial patriarch who wastes innumerable CBC scripts. And Brown's dialogue at times seems both incoherent and gratingly modern. But the sheer energy of the production—and its nostalgic period sets and costumes—help it to override its shortcomings. *Love and Larceny* is a work whose song is endlessly entertaining.

—JOHN REMBORE

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BEHAVIOR

The charity marathons

A s Steve Forzy peddled his article of left leg into the icy waters of the Pacific Ocean near Victoria last May, 6,000 supporters cheered the successful completion of his cross-country marathon to raise funds for cancer research. Forzy had spent 425 days on the road, covering 7,500 km and raising almost \$10 million for the Canadian Cancer Society. And the 14-month run fired the imagination of other Canadians who are now following his example. But as they struggle to complete their quests, Forzy's relatives also face the growing perception that fund-raising marathons for charity have exhausted their usefulness. Canadian Cancer Society officials say they have no intention of sponsoring another long-distance run at this time. Belatedly, however, Thomas Berni, "You can only go to the well so often before public interest wanes."

Forzy offers encouragement to his successors, noting that "people discouraged me at first, but I still did it." Forzy said his organization had initially refused Forzy's sponsorship request because of the fear that backing another



Forzy: too old and poor to qualify

cross-country run might cheapen the earlier accomplishment of Terry Fox, the cancer victim whose shrunken run before his death in 1981 inspired Forzy's effort. And every year thousands of ordinary Canadians show that they have not forgotten Fox's feat by participating in sponsored runs named after him. During the past five years the National Cancer Institute of Canada has received about \$15 million for cancer research from contributions generated by the runs. For their part, cancer society officials say that fundraisers or special donors are a good way of raising money for research.

But for some the lure of individual fund-raising marathons will not be denied. Rick Hansen, a 28-year-old paraplegic from Williams Lake, B.C., is now in the sixth month of his bid to travel around the world in a wheelchair—and raise money for spinal cord research. For his part, John Bessarab, a 68-year-old retired laborer, keeps pushing a wheelchair from his home near Victoria to Ottawa last June on a cross-country tour to publicize the financial difficulties of the elderly. And Kim Middleton, a 36-year-old social worker from Oshawa, Ont., swam 28 miles across Lake Ontario last month in an attempt to raise money for the mentally handicapped. According to York University psychologist Lawrence Doolittle in Te-

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rento, the guests give participants "a chance to be important on a public scale. These seats increase people's chances of doing something important for society."

But for Guelph's Middleton, public indifference to her cause was as much of a shock as the nonhelpful cold waters of Lake Ontario. After an evening entry at Niagara-on-the-Lake, she spent 18 hours and 31 minutes battling the currents, cold and fatigue before treading in downtown Toronto the following afternoon. But the Guelph and District Association for the Mentally Retarded raised only

\$2,000 in a door-to-door campaign conducted before Middleton plunged into the lake—an amount that barely covered the expenses of staging the marathon. After Middleton became the 19th person to swim across Lake Ontario—a feat which 16-year-old Marilyn Bell first accomplished in 1964—the association received another \$5,000 in donations. But swim organizers say that their failure to bring advance publicity hurt their cause. Disability association spokesman Penelope Gaultier "We tried to get publicity for more than one month before the swim, and no newspaper or

television station in Toronto wanted the story—until she succeeded."

Rasumba, who has already conquered the Rocky Mountains and the Prairies, says he will not consider his task successful until he reaches Ottawa. Swinging a wheelbarrow filled with clothes, a tent and a sleeping bag through Swifts, St. Marys, Ont., earlier this month, Rasumba said that he hoped for a last-minute meeting with Prime Minister Brian Mulroney. He added that he expects to commence Madrosney that the federal government should make it easier for senior citizens and the handicapped to receive mortgages. Rasumba's motivation: several banks refused his request for a \$50,000 mortgage, telling him that he was too old and poor to qualify. Rasumba, who lives on a federal pension income of less than \$600 a month, then took to the road.

Meanwhile, Rick Hansen was propelling his wheelchair across Poland, continuing a journey that has already taken him as far east as Moscow. Traveling an average of 110 km each day, Hansen has already covered one-third of a 40,000-km circuit through 37 countries and across five continents. And he says he expects to be wheeling his way across Canada next year for an arrival in Vancouver in October, 1986. The five-member support crew accompanying him shares that view for one thing, Hansen has won 19 wheelchair marathons since the 12 years since an auto accident left him paralyzed below the waist.

Those remarkable achievements made Hansen Canada's Outstanding Athlete of the Year in 1983—an award he shared with hockey superstar Wayne Gretzky. And Hansen's drive to increase public awareness of the handicapped has prompted 31 corporate and government agencies to underwrite the \$1-million cost of the tour. But although he has covered vast distances, Hansen's financial objective—raising \$10 million for spinal cord research—remains elusive. Indeed, as he continued through Austria and Switzerland this month he had received less than \$500,000 for his efforts. And Hansen also has the difficult task of convincing would-be donors that funds for spinal cord research are as urgently needed as money that supports the search for a cancer cure. Said Hansen: "It is an ambitious goal just to wheel around the world, but we also wanted to set an ambitious goal." Stephen Payne understands that desire. And as Payne begins attending college courses in Calgary in pursuit of another objective—becoming a pilot—he wishes Hansen success in an increasingly difficult venture. Said Payne: "I hope he makes it to Vancouver—and raises the money he needs."

—SUSAN KENDRICK in Toronto

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A man without a country

THE ACCIDENTAL TOURIST

By Anne Tyler
(Penguin, 255 pages \$18.95)

Marion Leary, the central character in Anne Tyler's 20th novel, *The Accidental Tourist*, has found a job that utterly suits him. A precise, systematic and home-loving man in his sedentary 40s, Marion writes travel guides for business people who would really rather stay at home. His job is an armchair with a map on the wall. He knows the trick for reluctant travellers is to take as much of home with them as they can. The unfortunate part of the job is that Marion, who hates to leave his Baltimore neighborhood, is forced to travel to update his guides, uncomfortably crossing foreign borders for American hotels. His audience is also resistant to the jarring contact with different cultures. He advises his readers to take only one suit, and the rest of his words are that subject comes from the depths of his sensitive heart. "The suit should be a medium gray. Gray not only hides the dirt, it's handy for sudden lawsuits and



Tyler transmits who want to go home

other formal events." Once a person is away from home, Marion says, death can easily happen—even one's own.

From the opening strokes of her portrait of Marion, a reader guesses that Tyler will walk him through the paces of a marvelous transformation before the book ends. Although readers can predict almost exactly how he will break out of his careful cocoon, Tyler makes them want to witness every fancy or sad, perspective or his rising change in him. Tyler is an old-fashioned yet extremely gifted and comic novelist of character, and *The Accidental Tourist* is an obvious blood relation of her finest works, *Morgan's Possession* (1980) and *Dancer at the Moment* (1982). Over 50 years Tyler has not wavered in her major theme—how families, happy or unhappy, choose or avoid, solitary, affect character, especially male character. Instead, she has become progressively better at weaving variations on it.

Marion's troubles begin where he feels safest, in that comfortable stretch of routine, self-knowledge, his home. The things he fears most in foreign places—being cut off, unknown, lost—begin to happen to him in his beloved Baltimore. His 12-year-old son, Niklas, is randomly killed by the driver of a Burger King car. With their only child gone, his 30-year marriage to Sarah falls apart. His wife believes that she knows

Marion is the lone, he is rational, logical and sensible. He is still trapped in the pose he used to use her, one of ineffable and superior aloofness that made him stand out in the crowd of the teenage Sarah's senior admirers. Rejected by the sensitive death of his son, Marion cannot abandon the person he became for Sarah. His wife does not expect comfort from him—still, when he does not provide any she knows him.

Without Sarah, Marion is suddenly a man without a country who feels like a tourist in his own house. To deal with the situation he begins to apply all the systems he uses when traveling. He washes his clothes each night in the shower, treating them underfoot like grapes. To avoid using a lot of bedclothes, he sleeps in a single sheet over an envelope. To cut down on washing clothes he keeps the sink full of detergent solution into which he dumps each dirty plate. He becomes distinctly odd, but it is the systems he establishes for the family pets. Helen the cat and a Welsh corgi named Edward, that finally lead to his downfall. In a spectacular and funny incident involving a coat, a shirt, a cloth dryer, a cat door and dried dog food, Marion breaks a leg. Lame in a hospital, he throws his shaky and debilitated self onto the bosom of his first family his sponsor sister, Rose, and his two devoted brothers, Roger and Charlie, who have all returned to live in the Leary grandparents' home.

Most of Tyler's main characters try to go "home" at one time or another and most of them are expelled out again by the rude realization that home is made and not born into. The serious link in *The Accidental Tourist* is the dog, Edward, who suffers a very credible nervous breakdown over the changes in his life and requires the therapeutic services of a sharp-tongued, slightly eccentric dog trainer named Muriel Petrich. After almost strangling his dog, but she finally saves Marion.

Living with Muriel and her son is a noisy, working-class neighborhood unlike anything he had ever allowed himself to know. Marion becomes the person the reader was waiting for, a kind man "needed for his soft heart," a tourist at last able to new experience. Tempted one last time by a remembered Sarah and his old life, Marion finally settles on Muriel, recognizing that "who you are when you're with somebody may matter more than whether you love her." To change themselves, Marion and many of Tyler's men have to shift old allegiances to new family. The immigrants moving to a new country in Anne Tyler's novels women are the countries in which men wander—and, in some sense, always remain tourists.

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Humor for humor's sake

THE LIFE OF HOPE

By Paul Quarrington
(Goodknight, 255 pages \$18.95)

With his third novel, *The Life of Hope*, Paul Quarrington achieves a new milestone of comic characters into the circus tent of Canadian humor writing. The setting is the day and festive town of Hope, Ont., haunted by the ghosts of its liberating fathers. The narrator is a Toronto



Quarrington's wit and mischief

homosexual Indian who has visions and seizures, a ventriloquist burlesque named Big Beren, a burlesque with loose morals named Muriel, and a 300-year-old talking fish known as Old Munk who eats birds for breakfast.

Except for the fish and the Indian, most of Hope's residents appear to be descendants of a religious sect called the Perfectists. Free Church. Its leader was the saintly Joseph Beran Hope, who preached an unorthodox doctrine of mother and free love before meeting a mysterious and violent death in 1889. A statue in the town square depicts him in a comatose, erect stance—for Hope stood around as a direct expression of the Holy Spirit. Paul is intrigued. Revelling in the irony of his alcoholic bias, he delves into the town archives to investigate the secrets of Joseph's life and death. The chapters drop back and forth between Paul's lurid exploits and a mock history of Joseph's debauched romp through the 19th century. What links the two stories is the parental lure for the elusive Old Munkfish. And fishing serves as the book's central metaphor. As the Indian, Jonathan Whitehorse, observes, "When one is a fish, it's a dog-eat-dog world."

Quarrington's playful, backhanded humor writing is seldom hysterically funny. The laughs accumulate gradually in the reader's mind like a drug. Finally, the abundant wit comes as an unlikely ending but surely amusing and satisfying. The author takes delight in using an array of arcane expressions to describe various private parts, including "cucubus," "testicles," "gastrectomy," "canaliculi," "trachea" and "nipple." It becomes hard to tell if Quarrington is using vulgar puns or just, but then, vulgar puns are part of his abundant arsenal.

Quarrington likes to play the literary gambler. And for much of the novel his readers make for enjoyable reading. The book is a mix of the old and the new (the plot fills short of its promise. It is as if the novelist has blithely painted himself into a corner. The final target of his satire could well be literature itself. In one scene, Paul's professor friend writes his female students to a lecture on "the modern novel and its purpose in a world that's about to be asked into nothingness." The section evolves into an orgy. *The Life of Hope*, Quarrington demonstrates that although the modern novel may have no future, it can still be a source of considerable fun.

—BRIAN D. JOHNSON

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novelist named Paul, who embarks on a drunken expedition of the town's forgotten past. Since Quarrington's last novel, *House Game*, he has put down his whimsical style to that fevered words every now and then. Still, the whole confession is lighter than air, flouting those reality with no higher purpose than fun and mischief.

The story begins with Paul fixing the city as the eve of his 30th birthday to work on his second novel in Hope, where a friend has loaned him a house. Neglecting his duties at the typewriter, Paul becomes a patron of a bar called Wilding Mind and develops a fascination for the local residents. They include a

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FILM

In search of an indentity

CREATOR

Directed by Ivan Passer

The makers of *Crucier* chase a controversial issue: the potential of technology to create human life. They find in Jeremy Leves, a writer who worked as a neurologist at Yale University. They pick the affable Peter Onor to play the lead role of an erotic scientist and add director Ivan Passer, who is known for his sensitive handling of actors. The outcome of all that could have been a provocative look at the identity of modern man. Instead, the result is a movie with a monumental identity crisis. Attempting to be a comedy of ideas, *Crucier* succeeds in being neither funny enough nor sufficiently thought-provoking.

Its plot turns on the longing of biologist Harry Wolper (Onor) to recreate his wife, Lucy, who died 38 years ago. Wolper has an assistant, a brilliant young research student, named Ben LaFaire (Vincent Spanio) and access to his university's most advanced equipment. For Lucy to be brought back to life, Wolper needs a live human body, he gets it from a poor, obliging doctor named Mel (Mandel Hemingway). But when Mel falls in love with him, Wolper begins to see the redundancy of his plan. The most interesting aspect of *Crucier* is its revelation of the dark side of contemporary science. Although Wolper is selfish, he is also a lovable rogue. But his unethical, Dr. Henry Kuchlerbeck (David Ogden Stiers), personifies the vicious face of science and takes great pleasure in new machines that are, he says, "brighter than God." But Wolper is not ashamed to predict that "when science finally passes over the crest of the mountain it will find that religion has been sitting there all along."

Working from a script that veers between the witty and the whimsical, Onor gives a buoy performance, relying on a limited range of winks, leers and shrugs. Hemingway and Spanio struggle valiantly, but the ultimate blame must rest with Passer, who has created a schizophrenic movie that switches from a melodrama to comedy and from an analysis of science to a love romance. The viewer never knows what to expect next—or does he much care.

—MARK ADLER



After three quizzes, chatly interviewers and a solid dose of rock'n'roll

RADIO

Seeking popularity

When CBC Radio's upbeat new sports show airs for the first time this week, it will impress more than a half to attract a broader audience to the network. The *Friday Trek*, which promises a mixture of serious reporting, trivia quizzes and light-hearted features, is part of a dramatic and controversial shift in the entire fall lineup. In an attempt to attract a younger audience and increase its ratings, CBC Radio has scheduled its new or revamped programs featuring chatly hosts and popular "lifestyle" series. At the same time, the network is relaxing its emphasis on classical music to make room for lighter fare. Margaret Lyons, vice-president of English Radio Networks, says that the CBC's intent continues to broadcast for what she called a "very elite." Said Lyons: "We want to reach the younger age group that more closely resembles Canadian society."

But many listeners say they fear that these revisions will seriously erode a unique service. Said veteran broadcaster Harry Boyle: "I am critical of popularizing the CBC. All other radio is so much like right now, and the CBC is the only relief from it."

The changes to the Saturday night schedule are the most revealing. The six network, which used to feature Robert Wozniak's literary show *Anthology*, will now broadcast a rock music program, *Countdown*, and Finlayson's *45s*, fea-

turing host Danny Fendelman and pop hits from the past three decades. The lineup for the rest of the week includes new programs dealing with such fashionable concerns as business and health. *Friday Thought* has been renamed *Go-Down* to spotlight the brilliant interviewing style of Vancouver-based host Vito Gialluca. And *Daylight*, a weekday afternoon talk show modelled after the popular *Morningnews*, is hosted by playwright and comedy writer Ernie Miller, based in Toronto. Meanwhile, 12 programs—including the Indian affairs show, *Our Native Land*—have been cancelled.

That fall's innovations grew out of a long-term commissioned study in 1985 which, among other things, said that the network sits at a younger market. In keeping with the study, CBC Radio is seeking most of its information shows to the six network while moving some drama and music programs to FM, a higher-quality stereo frequency better suited to music. These changes have forced the cancellation of such shows as FM's *Melrose*, a daily musical program based in Vancouver which aired for seven years. The final broadcast last week featured music about guitar and concluded with a melodramatic aria by Italian composer Francesco Paolo Tosti, *Goodbye Forever*. Said production assistant Neil Ritchie: "We wanted to end on a note of

guitar. I am genuinely sad to see the show go."

Not since the early 1970s, when such revolutionary information programs as *Sunday Morning*, *As It Happens* and *This Country* in the *Morning* revitalized the network, has a new season's schedule stimulated so much attention—and criticism. For months legal battles have been complaining that the network was drifting away from intelligent, alternative programming as an attempt to woo the Yuppies generation. The cultural community especially has expressed concern about the reduction of arts coverage in the shortened version of *Stereo Morning* and about the death of *Anthology*. Last week Robert Wallace, editor of *The Canadian Theatre Review*, contends that *Solo de los Años*, the new, two-hour Sunday arts magazine, cannot fill the gap. Said Wallace: "The message is that the arts are not important. No matter what you put on *Stereo Morning*'s place, it won't have the same unifying effect because it won't be daily or nearly as in-depth."

But CBC executives say that the changes will not significantly alter the nature of the public radio service. For her part, Lyons maintains that the criticism are overreacting. Said Lyons: "There was always horrible controversy whenever we changed our programming. But that is how we created *As It Happens* and *Sunday Morning*." The question of whether the new lineup represents another era of creative decline for CBC Radio awaits the judgement of the people who pay for it: the Canadian public.

—DAVID BATES AND ANN FLETCHER IN TORONTO

MACLEAN'S BEST-SELLER LIST

Fiction

- 1 *Skeleton Crew*, King (1)
- 2 *The Fourth Deadly Sin*, Sanders (3)
- 3 *Lark's Column* (2)
- 4 *If Tomorrow Comes*, Stables (4)
- 5 *Confessions*, Hughes (5)
- 6 *The Cider House Rules*, Irving (6)
- 7 *Changeling*, Dineen (7)
- 8 *Julian Secreti*, Leamer (8)
- 9 *The Red Fox*, Hark (9)
- 10 *Ins*, Van Lanthier (10)

Nonfiction

- 1 *Interviews*, Jackson with Niska (1)
- 2 *The Canadian Encyclopedia* (2)
- 3 *Yagers*, Singer and Jones (3)
- 4 *Elvis and Me*, Presley with Marston (4)
- 5 *A Passion for Excellence*, Dineen and Dineen (5)
- 6 *Darwin in the Arctic*, MacGowan (6)
- 7 *A Day in the Life of Canada*, edited by Cohen (7)
- 8 *The World of Robert Fennell*, Dineen (8)
- 9 *The Abenaki's Early Days Program*, Abenaki and King (9)
- 10 *Heart of Oak*, Foster (10)

1) Figures last week

The tiny Kiwis that roared

By Allan Fotheringham

It's nice to know that the platinized, Teflon, sanitized and drip-dry culture has not taken over the entire globe. Despite threemasters, there are still areas where the microwave does not rule, tiny spots where Phil Donahue and Alan Langer do not reign. Some place where the time warp has developed so that some catching-up years are necessary to get to where the rest of us un-comfortably sit. That's why it's nice to see New Zealand, little New Zealand, perched on top of all these front-page headlines.

Who would have thought it? The Moose has indeed Roared. The tiny nation with the frenetic whiteness now inclines to toppling the government of mighty France. The prime minister and the president of that European power are barking and biling, furling and explaining who or who did not give orders to do what, in the sinking of the Rainbow Warrior. More than an environmentalists' ship is involved here. Prime Minister David Lange is no mortal enemy of President Mitterrand. In fact, he's a soul mate, both being good socialists who are supposed to think alike. It makes it look bad for the anti-social democratic movement across the ocean, the one raising a new awareness that turns out to be as truthfully cynical as anything dreamed up by Daddy Warbucks, the other righteously trumpeting for reparations and revenge. Cap Weinberger and Seneca Reagan must be laughing.

The point is that New Zealand has come late to the music of the 1980s. The Kiwis, far outwitted by their sheep, sit down on their idyllic little islands, thought of as little England, every teenager trying to save enough money to make the obligatory tour to Britain, where the natives think of them as not so aggressively rude as the Americans or as rich as the anti-Yankee Canadians but just, you know, quiet, polite little New Zealanders. There is not as much as Reagan has been saying anything about New Zealand. There is not a human being here who can say anything.

Allan Fotheringham is a columnist for Southern News.

had about New Zealand. Good butter, tugging is banned, and, you know, like potatoes.

Time takes a long time to travel to New Zealand. That's why its progress today is like watching an old black-and-white newsreel. In the 1960s, North American university students discovered the sport of beating up on policemen and destroying property. They have since moved on to other things, like worrying about AIDS and making money, but there was once wary New Zealand in 1968 suddenly moving upon the trend as if they had discovered it. The whole

American warship from entering New Zealand ports unless they would divulge whether they were carrying nuclear weapons. The White House, not to mention the Pentagon, has reacted as aggressively as if the mouse were a mouse, trumpeting that this pet is precisely the whole atomic defense treaty in the South Pacific between the two countries and Australia. American press opinion for a while had New Zealand as a world threat roughly equivalent to East Germany. The sheep would have been amazed.

The most geographically fortunate member of the Commonwealth, New Zealand is filled with Mega farmers who wear thigh where the rest of us wear hooie. They bench-press large even in their solid-black shorts and singlets decorated only with silver fern leaf, they produce world mile record-holders such as Jack Lovelock back in Gloria Steinberg's time and then Peter Dinkell and the indestructible John Walker in our age—not even to mention the amazing Murray Halberg. All New Zealand young ladies wear Harris tweed underwear and have unbeatable tennis forehands. You should really never get

into a tennis match with a New Zealand lady, male or female. They are usually spunk. They are great in the kitchen. They can drink almost as much as Australians do, but are quieter about it.

So we've got South Africa, nuclear arms and now the incident over the Greenpeace ship that has made the word of ecoterrorism seriously world-famous. Who would have thought it, as New Zealand's shores? My Greenpeace friends for almost two decades have been trying to crash nuclear test zones and run Soviet whaling ships. They've purchased from mercenaries in the United States and been beaten up by Newfoundland seal hunters.

All of a sudden they achieve the world attention they've been seeking. Where? The home of sheep and rugby. You remember the chap who moved from nuclear-thrashed North America to the peaceful and unknown Falkland Islands, only to land in the middle of Maggie Thatcher's war? New Zealand is the Falkland Islands of 1985.



country took to pitched battles in the streets, policemen stand and you're scared. The supposed reason, as we know, was the visit of South Africa's rugby team to tour against New Zealand's famed All-Blacks.

The sporting case against South Africa had been made years ago, Pretoria being banned from the Olympics and other athletic bodies. But New Zealand, where rugby is a religion, had just voted to the final resolution of the issue—and suddenly street riots. There was the chap who sent a small plane and was about to dive-bomb it into the stands at one match. They had to play another match with all spectators banned from the grounds. This spring a court order—loudly applauded by Prime Minister Lange—banned the All-Blacks from going to South Africa to play.

There is the nuclear issue. Most Canadians who used to march in bus-to-South rallies have now joined tennis clubs. New Zealand, and Lange, are suddenly greatly concerned. The rat barred

"So what's for dinner?"

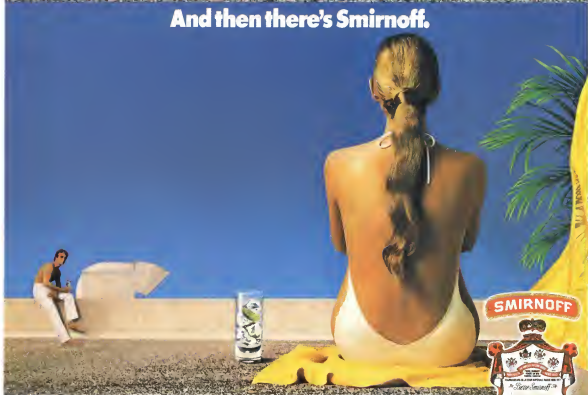
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